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# Deprivation, social class and social mobility at Big Four and non-Big Four firms

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Using the work of Bourdieu and Savage, this paper investigates social class and social mobility among chartered accountants who qualified with The Institute of Chartered Accountants of Scotland in 2009. We find that these accountants tend to come from privileged backgrounds and that those who qualified with Big Four firms possess more economic, social and cultural capital than those who qualify with other firms. Our study provides fresh insights into how elements of social class interact with social background. In contrast with the prevailing view that there is limited social mobility in the accountancy profession, we find some evidence of social mobility, suggesting that current debates are based on contestable assumptions. We also find that chartered accountants from more deprived backgrounds as indicated by childhood postcode often have a father who has a professional or managerial occupation, so are not deprived on all measures. Where those from more deprived backgrounds accessed chartered accountancy careers, this was at the expense of people whose parents held lower rather than higher professional or managerial jobs. This suggests that the most advantaged maintain access to chartered accountancy but those from more middling professional homes are displaced when those from more deprived backgrounds gain access.

**Keywords:** social mobility; social class; Big 4; accountancy profession

## 1. Introduction

The OECD reported in 2018 that ‘in a number of countries, there is a growing perception that social mobility across generations has declined and that, increasingly, parents’ fortunes and advantages play a major factor in people’s lives (OECD 2018, p. 15). The OECD (2018) report found that the Nordic countries and the Netherlands have the greatest levels of social mobility. In contrast, France, Germany and countries in central and southern Europe have low levels of social mobility. In the middle, Canada, New Zealand and Japan were found to have fairly good

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levels of educational mobility while occupational mobility was better in the USA and the UK than in many other countries. Overall the OECD concludes that there are large variations in mobility levels throughout the world but generally there is considerable scope for improvement.

In the UK, the professions have been identified as offering limited opportunities for social mobility (Milburn 2012), with the accountancy profession being labelled one of two professions with the biggest decline in social mobility for people born between 1958 and 1970 according to Alan Milburn's Panel for Fair Access to the Professions review for the UK government (Cabinet Office 2009).<sup>1</sup> However, the difficulties of examining entry into any profession are exemplified by the fact that this political conclusion (which has gained considerable coverage and traction) was drawn from one of the submissions to Milburn's review (Macmillan 2009, p. 6) which stated that:

Journalists, bankers and accountants born in 1958 came from families with average family incomes of only 0–10% higher than the average compared to those born in 1970 who had incomes 30–40% above the average, an average increase of 20–30%. These occupations appear to have become highly socially graded occupations across the time frame observed from a base of a relatively equal occupation to the sample average for those born in 1958.

This time frame saw considerable change in the UK economy, the growth of the service sector and a large increase in the number of professionally qualified accountants. Accountancy was substantially a non-graduate profession at the time when the 1958 birth cohort would have been entering the profession but graduate entry was becoming more typical by the time of the 1970 birth cohort's entry. The data used by Macmillan (2009) was based on 22 accountants born in 1958 and 77 born in 1970 whose family income at age 16 and occupational income at age 33/34 were known. Additionally, the term 'accountant' is not legally protected and therefore a wide range of people can call themselves 'accountants', ranging from professionally qualified chartered accountants to people who may possess no professional qualifications. Therefore, the data on which accountancy has been labelled one of the least socially mobile UK professions is flimsy, and lacks contextualisation and specificity. It remains to be examined, therefore, whether accountancy is, in fact, a profession that exhibits poor opportunities for social mobility or, alternatively, whether current debates and policy in the accountancy profession are based on myth rather than reality. This paper addresses this topic by focusing on a particular type of high-status, prestigious and highly educated accountant, chartered accountants who are members of The Institute of Chartered Accountants of Scotland (ICAS).

The limited extant accounting research on social mobility has focused on the policies of accounting firms which are responding to political concerns about social mobility and fair access to the accountancy profession (Edgley et al. 2016, Duff 2017). The focus has therefore been on accounting organisations rather than individual accountants. This paper addresses this gap by contributing to the study of social mobility – shifts in social classification – by providing the first snapshot of the social background of recent entrants to ICAS and quantifying the extent of social mobility, specifically in terms of upward, vertical, intergenerational, relative social mobility, as defined in Section 2.

Since the late twentieth century, whilst discourses around aspects of diversity such as gender, ethnicity, disability and sexuality flourished in the UK, it seemed that it became unfashionable to talk about social class with the view being expressed that people were no longer defined by class (Jones 2014). However, the fact that over 161,000 people in the UK completed a social class survey in 2011, reported in Savage et al. (2013), indicates that there is still considerable interest

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<sup>1</sup>The other profession singled out by Milburn (2012) was journalism.

in social class. In other parts of the world, social contestation in a variety of forms has become more pronounced (see e.g. Bringel and Domingues 2015),<sup>2</sup> indicating that debates about social structures including social class continue to take place.

In relation to the accountancy profession, in our view, social class issues in the UK have not been subjected to the same level of scrutiny as other forms of diversity because, although professional bodies and professional accountancy firms have initiated policies designed to facilitate social mobility, they have accepted without challenge the rhetoric that the accountancy profession is socially exclusive. This is a view that we critique and challenge in this paper.

Accountancy traineeships with the so-called Big Four accountancy firms – Deloitte, EY, KPMG and PwC – are among the most sought after graduate positions and these firms have been accused of being elitist and systematically excluding applicants from more deprived backgrounds (Social Mobility and Child Poverty Commission 2014, 2015). The firms have responded by changing their recruitment policies in order to widen their talent pool. Given the political and professional accountancy focus on increasing access among people from more deprived backgrounds, we, therefore, incorporate a measure of social deprivation into our analysis.

This paper aims to contribute to the discussion of diversity, social class and homosocial reproduction in accountancy firms via an examination of social mobility. In order to frame the analysis, the work of Pierre Bourdieu is used, focusing on the field of chartered accountancy; economic, social and cultural capitals; and the habitus formed by the interaction between field and capitals (Bourdieu 1977, 1984, 1986, 1990, 1992, 1998, Bourdieu and Passeron 1990, Bourdieu and Wacquant 1992). Bourdieu's thinking is considered to be an appropriate framework since it is said to offer 'the most perceptive approach to unravelling the complexities of class today' (Savage et al. 2015, p. 19). However, understanding of social class continues to evolve within particular contexts and a much publicised, large scale, recent UK study was conducted by Mike Savage and his team (Savage 2015, Savage et al. 2013, 2015). This paper, therefore, incorporates insights from these more recent works as they confirm the three types of capital discussed by Bourdieu but also provide new insights into the complexities of social class in twenty-first century UK.

This paper takes as its starting point the fact that although diversity in general and social mobility, in particular, are being increasingly discussed within the accountancy profession, the discussion is based on the assumption that the accountancy profession is socially exclusive whereas, in reality, very little is actually known about the social backgrounds of present-day chartered accountants. The paper, therefore, seeks to make an empirical contribution to the discussion by examining the backgrounds of a recent cohort of entrants to the accountancy profession. Specifically, it focuses on the social backgrounds of the people who qualified as chartered accountants with ICAS who were admitted into membership in 2009, thus enabling us to identify the social inequalities at work in the accountancy profession by drawing on a range of factors such as parental occupations, parental education, neighbourhood, schooling and university education.

This empirical contribution allows us to make a related theoretical contribution by adding to extant understanding of the social making and origin of Big Four employees. In accounting literature, professions have been viewed as socio-historical constructs developed around the concept of social closure (Ramirez 2001, Sian 2006). We distinguish between those ICAS entrants who trained with a Big Four firm and those who did not, given that Big Four firms are widely regarded as employers of choice with elitist credentials (Duff 2017), allowing for a consideration of the ways in which elements of social closure interact with social background in the context of different types of accounting firms in the accountancy profession.

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<sup>2</sup>See, for example, protests by 'les gilets jaunes' in France (France 24 2018).

Since such data do not currently exist, we firstly present a social profile of these newly qualified chartered accountants drawing on a measure of deprivation derived from the entrants' childhood home postcodes combined with measures of social class based on parental occupations. These two measures are combined with other background data relating to their educational and family background. Second, we aim to explore the factors that influenced social mobility for this 2009 cohort, again drawing on measures of deprivation derived from the entrants' childhood home postcodes and social class based on parental occupations. We investigate these factors by comparing newly qualified chartered accountants who trained with Big Four and non-Big Four firms in order to investigate whether Big Four firms are less likely than other accountancy firms to recruit people from deprived areas. We then examine whether parental occupations have a moderating effect and whether this effect is likely to vary with the degree of deprivation.

We find that there is evidence of some social mobility within the cohort of members admitted to ICAS in 2009 but that this is achieved in a way that has not yet been identified within the accountancy profession. We find that people from elite backgrounds in terms of childhood family home and parental occupations are maintaining their hold on entry to Big Four accounting firms. Our findings show that where social mobility takes place, it is at the expense of people from the middle class, but not quite so elite, backgrounds. This is a new, interesting and unintended result that shows that social mobility policies, though well intentioned, can have unanticipated results. Our final contribution is, therefore, to use our empirical findings to present a new starting point to discuss questions of social inequality within the Big Four, setting out a research agenda based on this starting point.

This paper is structured as follows. In the next section, the meaning of social mobility and the UK's social mobility agenda are discussed. In Section 3, the ICAS context is examined, setting out what is known about social class and social mobility within the accountancy profession. In Section 4, the theoretical framework employed in the paper and prior literature is discussed, leading to the derivation of three hypotheses. Section 5 explains the research method adopted, then the results of the research are presented and discussed in Section 6. Finally, these results are discussed and conclusions drawn. Our results relate to the UK but, given that social mobility is limited in a wide range of countries as discussed at the start of this paper (OECD 2018), the underlying issues are of wider application beyond the UK.

## 2. Social mobility

The term 'social mobility' was first used in the 1920s (Sorokin 1925, 1927) referring broadly to the shifting of people in social space. It refers to changes within the social stratification hierarchy where social stratification is viewed as any system that ranks individuals according to differing power, status or prestige (Davis and Moore 1945). In the mid-twentieth century, social classification in the UK came to be based on the terms upper, middle and working (or lower) classes (Mills 1951, Thompson 1991) and is currently based on a ranking of occupations, the first of which was the UK Registrar General's five level scale<sup>3</sup> developed in 1911 and published in 1913 (Rose, Pevalin and O'Reilly 2005), with its most recent iteration dating from 2010.

The UK Labour government led by the then Prime Minister Gordon Brown established a panel on Fair Access to the Professions in January 2009, to examine the processes and structures that govern recruitment into key professions. The panel was led by Alan Milburn and reported in 2009 (Cabinet Office 2009). This panel defined social mobility as being 'about each new

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<sup>3</sup>These were higher administrative and professional occupations, managerial and technical occupations, skilled occupations, partly skilled occupations and unskilled workers.

generation benefiting from more and better opportunities to get on in life', specifically in relation to achieving 'better jobs for each generation, so that our children can do better than us' and having 'fair chances, so that everyone has an opportunity to access those jobs and so realise their potential' (Cabinet Office 2009, p. 26).

Essentially, social mobility 'describes the relationship between an individual's starting point and where they end up as adults; usually in terms of their occupational status, individual earnings or household income' (McKnight 2015, p. i). Social mobility may be vertical when people move up or down the hierarchy, or horizontal where people change roles but remain within the same level of the hierarchy. Vertical social mobility can be further distinguished according to whether the mobility is upward or downward. Social mobility may also be intragenerational,<sup>4</sup> where a person's position changes throughout his or her lifetime, or intergenerational,<sup>5</sup> where a change in position occurs over multiple generations. Finally, social mobility can be absolute,<sup>6</sup> where everyone's position improves relative to previous generations, or relative,<sup>7</sup> where some people move upwards but, in a world of limited opportunities, the implication is that, for everyone moving up, another person has to experience downward social mobility.

Upward vertical, intergenerational, relative social mobility, especially in relation to income, increased in the middle decades of the twentieth century in the UK but opinions differ on the question of whether this social mobility has now stalled or whether it is in decline. The prevailing popular and political view (HM Government 2011) is that upward social mobility is now declining and that there is rising economic inequality in many developed countries with the associated concern that more inequality will have the long-run effect of reducing equality of opportunity and inter-generational mobility. However, there is evidence that between 1972 and 2005, absolute and relative upward mobility rates remained constant for both men and women, thus challenging the prevailing popular and political perception (Goldthorpe and Mills 2008).

Following the publication of Milburn's report (Cabinet Office 2009), and the 2010 UK general election that resulted in a Conservative-Liberal Democrat coalition government, Alan Milburn was invited to become an independent reviewer on social mobility and, in 2011, the government launched its new social mobility strategy in which social mobility was framed in terms of fairness, with the goal of making life chances more equal:

In a fair society what counts is not the school you went to or the jobs your parents did, but your ability and your ambition. In other words, fairness is about social mobility – the degree to which the patterns of advantage and disadvantage in one generation are passed onto the next. An unfair society is one in which the circumstances of a person's birth determine the life they go on to lead. (HM Government 2011, p. 13)

The government's 2011 social mobility strategy explicitly set out its priorities as being intergenerational and relative social mobility (HM Government 2011, p. 15). The strategy did not state whether it is concerned with vertical or horizontal social mobility but the implicit assumption in its workings is that it is concerned with upward, vertical, intergenerational and relative social mobility.

<sup>4</sup>Intragenerational social mobility is defined by HM Government (2011, p. 15) as 'the extent to which individuals improve their position during their working lives, irrespective of where they started off'.

<sup>5</sup>Intergenerational social mobility is defined by HM Government (2011, p. 15) as 'the extent to which people's success in life is determined by who their parents are'.

<sup>6</sup>Absolute social mobility is defined by HM Government (2011, p. 15) as 'the extent to which people are able to do better than their parents'.

<sup>7</sup>Relative social mobility is defined by HM Government (2011, p. 15) as 'the comparative chances of people with different backgrounds ending up in certain social or income groups'.



The latest government initiative is the Social Mobility Business Compact, initially launched by the coalition government and relaunched in 2015, which aims to ‘address elitism and improve social mobility by encouraging businesses to open up opportunities to everyone’, underpinned by the government’s belief that ‘no one should be prevented from fulfilling their potential because of ‘where they’re born’, ‘the school they went to’ or ‘the jobs their parents do’ (BIS 2015, p. 1).

Over 190 businesses and organisations including The Institute of Chartered Accountants in England and Wales (ICAEW) and the Big Four accountancy firms have signed the compact, committing to work with schools and communities to raise aspiration, to provide fair, accessible and high quality work experience and internship opportunities, and to recruit fairly and ensure that their recruitment practices eliminate barriers to social mobility (BIS 2015).

There has therefore been a considerable focus on the role that employers can play in promoting social mobility but barriers to social mobility do not appear solely at the employment stage. Political attention also focuses on the concern that people who come from socially deprived backgrounds face particular barriers to entry to higher education which in turn affects their chances of entering professional careers. Social deprivation can be defined in a variety of ways but a commonly agreed strong influence on social mobility is the likelihood of going to university, expressed in terms of participation rates. People from more advantaged neighbourhoods (as measured by postcode) are approximately 2.5 times more likely to go to university than those from more disadvantaged neighbourhoods (Sutton Trust/Carnegie 2012, The Independent Commission on Fees 2015). Participation rates also vary by gender, with UK females from poor neighbourhoods (as measured by deprivation indices) being more likely to go to university than males (The Independent Commission on Fees 2015, Sammons, Toch and Sylva 2015b). From a policy perspective, additional government support is provided to schools in deprived areas (the pupil premium<sup>8</sup>) and additional efforts are made to increase participation at university from the most deprived areas.

In short, social mobility attention in the UK has focused on both higher education and entry into professional careers. This paper focuses on one particular profession, the accountancy profession and one professional body, the Institute of Chartered Accountants of Scotland (ICAS).

### 3. The ICAS context

ICAS is the oldest professional body in the world, dating from 1853 when its first constituent body, the Society of Accountants in Edinburgh, was formed.<sup>9</sup> The earliest professional accountants in Scotland came largely from privileged backgrounds (Macdonald 1984, West 2003), from higher class families than accountants in England and Wales (Matthews et al. 1998) and had lifestyles associated with the most affluent sections of society, for example having servants and living in affluent areas (Edwards and Walker 2010, O’Regan and Halpin 2014). This enabled the earliest accountants to leverage family connections in securing traineeships and partnerships (Walker 2002). Kedslie (1990) tells us that two-thirds of nineteenth century Scottish accountants came from the professional, upper or middle classes and that 72% had attended ‘high class private’ schools. Crucially, however, what this shows is that around one-third of chartered accountants had experienced upward vertical inter-generational relative social mobility, thus

<sup>8</sup>The pupil premium provides extra funding to help disadvantaged pupils to perform better. The amount is based on the proportion of pupils in receipt of free school meals and other factors such as numbers who are adopted or in care.

<sup>9</sup>The Society of Accountants in Edinburgh received its charter in 1854. The Institute of Chartered Accountants of Scotland was formed in 1951 by amalgamating the Society of Accountants in Edinburgh with the Institute of Accountants and Actuaries in Glasgow (founded in 1853) and the Society of Accountants in Aberdeen (founded in 1867).

providing a more nuanced picture of the early profession than some other literature suggests (Lee 2004, Matthews 2017).

The earliest ICAS members, therefore, had roots in the higher social classes but there is only limited evidence of the social origins of current ICAS members. Data from the late 1980s and early 1990s show that 77% of recently qualified members had a fully accredited relevant degree and 74% had attended a comprehensive, state school (Gammie 1999). 95.9% of the Scottish school population is educated in state schools (SCIS 2018), hence the membership of ICAS appears to contain considerably more privately-educated members than the UK population as a whole. Currently, 90% of ICAS trainees hold a degree, in itself a signifier of class position, and only 39% hold a relevant degree (FRC 2018). This changing profile reflects ICAS expansion in England and Wales where the relevant degree route is not as common as in Scotland. Most recently, data from the annual salary survey conducted by ICAS show that two-thirds of respondents (representing all ages of members) had fathers who had professional or managerial occupations, one-third had attended fee-paying or selective grammar schools and that these advantages had a lasting effect as these individuals had the highest salaries in later life (Outram 2017). As before, this data can be flipped to say that two-thirds of ICAS respondents to the salary survey had attended state comprehensive schools and that one-third had fathers who did not have professional or managerial jobs, thus showing that among the ICAS membership as a whole there was evidence that upward, vertical, intergenerational, relative social mobility was possible at least as much in the late twentieth century as in the nineteenth century, if not more so, as evidenced by members having moved upwards from their origins.

Whilst the evidence is limited, the above review has shown that Scottish chartered accountants appear to be predominantly, but not exclusively, from the middle and upper classes and that this has always been the case since professional accountancy bodies were formed in the mid-nineteenth century. This resonates with the political concern evident in recent government social mobility strategy that social mobility is limited in the professions. A number of organisations have been formed to take forward this social mobility agenda including the Social Mobility Foundation (SMF)<sup>10</sup> and Access Accountancy.<sup>11</sup> These organisations have therefore accepted without challenge the political view that social mobility is a problem that needs to be addressed.

Professional accountancy bodies are also working to improve social mobility. The ICAS Foundation was formed in 2012 with the aim of supporting academically talented young people from disadvantaged communities into university through the provision of mentoring and financial assistance. To date, over 60 students have received assistance. Likewise, The Institute of Chartered Accountants in England and Wales formed the ICAEW Foundation in 2007. Among its activities, it provides bursaries through a small number of UK universities to talented aspiring students from disadvantaged backgrounds wishing to study for an accountancy degree.<sup>12</sup> These two bodies, therefore, use indicators of deprivation to identify beneficiaries.

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<sup>10</sup>The Social Mobility Foundation is a charity founded in 2005 which aims to make a practical improvement in social mobility for young people from low-income backgrounds into eleven career sectors, including accountancy. It aims to provide opportunities and networks of support for 16–17 year olds who are unable to get them from their schools or families (SMF 2015).

<sup>11</sup>Access Accountancy is a collaboration of accountancy professional bodies and employers dedicated to improving access to the accountancy profession for all socio-economic groups. Access Accountancy states its belief that social mobility in the accountancy profession has declined, and that entrants typically grow up in a family richer than seven in ten of all families in the UK (Access Accountancy 2015).

<sup>12</sup>In 2018 bursaries are available through the universities and business schools of Bristol, Cardiff, Leeds, Nottingham, CASS Business School, Manchester, Warwick and Glasgow Universities and Queens University, Belfast.



Professional accountancy firms have also focused on increasing social mobility. Jacobs (2003) and Jeacle (2008) found evidence that the application process for traineeships with the major chartered accountancy firms at the beginning of the twenty-first century implicitly favoured applicants from the higher social classes. This was because the requirement to have good school and university examination results, relevant work experience during holidays and evidence of participation in activities requiring leadership and teamwork are likely to be more achievable by applicants who attended better schools and had supportive family backgrounds. There was no evidence to suggest that the accountancy firms deliberately discriminated but Jacobs and Jeacle cautioned that certain applicants may be at a disadvantage if they have not had educational and social experiences that enable them to display the qualities desired by recruiters. Since then, the Big Four and other large accountancy firms have made changes to their recruitment policies and procedures.

All four of these Big Four firms explicitly state that they are looking for highly talented recruits. Until recently, they have set high minimum expected standards for school and university qualifications in order to help them to identify these talented individuals. However, recently there have been some amendments to their recruitment policies in order to address the social mobility agenda given the clear association between social background and high educational performance leading to university admission, as discussed earlier. The changes made to their recruitment policies and their statements on social mobility are outlined on their websites. The conceptualisation of the social mobility problem varies. Deloitte refers to people born into 'low income families' and present information on fee-paying versus state schools. EY refers to an applicant's 'background', later detailed as 'social, family and educational background'. KPMG (2018) refer to 'recruiting employees from all social backgrounds' and has recently revealed that it has begun collecting data on its employees' parental occupations in a bid to increase social mobility (KPMG 2016) while PwC refers to 'background of disadvantage' (PwC 2019). Hence a person's background is important but the precise features of that background vary. The Deloitte and KPMG websites refer to income/economic background while educational and social background also feature. This mirrors the different ways in which social class has been conceptualised, whether relating to income or status or other class measures.

The ways in which the Big Four have sought to address the issue of social mobility also varies. Deloitte generally expects applicants to have an upper second (2.1) honours degree and 260 UCAS<sup>13</sup> points but has introduced a contextual approach to recruitment to take into account the context within which a person's academic qualifications were gained, and has also introduced school and university-blind recruitment to prevent recruiters being influenced by the name of a person's school and university. EY has removed its previous requirement of 300 UCAS points and a 2.1 honours degree at the application stage. KPMG continues to use the benchmark of 300 UCAS points and a 2.1 honours degree but state that the firm is implementing a balanced scorecard to better evaluate the context in recruitment and that the benchmarks can be relaxed depending upon personal circumstances. PwC has abandoned the use of the UCAS tariff for most undergraduate and graduate opportunities but still asks for 2.1 honours degree. Therefore, the main focus of strategic change has been in relation to the educational institution and academic achievement at either school or university or both in order to address bias in recruitment and to enable greater diversity in applicants. Since these changes have only recently been introduced, it is not yet possible to know whether they will result in any differences in the final recruits being selected.

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<sup>13</sup>For entry into UK universities the Universities and Colleges Admissions Service (UCAS) assigns a tariff to entry qualifications based on level (e.g. A levels or Scottish Highers) and grade obtained (e.g. A/B/C).

Given the Big Four's recruitment, and the evidence presented thus far that suggests that chartered accountants come mainly from middle class backgrounds, findings relating to those who become partners in the Big Four seems surprising. Carter and Spence (2014) found that it is possible for people from more modest backgrounds to achieve partnership status. They note that partnership nowadays requires a high degree of commercial acumen and that this may have led to the admission to the partnership of a different type of person from previous eras where a different institutional logic of technical expertise was of primary concern (Spence and Carter 2014). Their conclusions are drawn from interviews with partners who may not necessarily be representative of the partnership as a whole but they are interesting because they show that people from non-elite backgrounds can rise to the top.

The Big Four firms together recruited approximately 4000 graduates in 2017 (Times 2017). Their efforts to embrace the social mobility agenda show that they define the problem of social mobility in slightly different ways but that their policies are designed to encourage applications from under-represented social backgrounds and from those who have not achieved previously set levels of educational attainment. Given the clearly established link between deprivation and educational attainment, the social mobility strategies employed by these firms are closely aligned with government policy that identifies deprivation as an underlying barrier to social mobility.

This contextual review has influenced the objectives and focus of this paper. Given the Big Four's focus on social mobility as described above, in order to assess the level of social mobility we use the Big Four as our dependent variable to distinguish between those who trained with a Big Four firm and those who did not among new members admitted into ICAS in 2009, its largest ever intake year. Drawing on the political agenda outlined in the Introduction and the above contextual review, we analyse these accountants using a measure of social deprivation as the independent variable.

#### **4. Theoretical framing, prior literature and hypotheses**

In this section, diversity, social class and homosocial reproduction in accounting firms are discussed in order to provide a framework for subsequent analysis and to review the field of extant literature.

##### **4.1. Diversity**

Several research papers have focused on the idea of recruits fitting in to their accounting firms. Chatman (1991) found that those individuals whose values most closely fitted with the values of their accounting firm were more likely to feel satisfied, and to intend to remain, with the firm. Other factors relating to fit, such as speaking and dressing in a manner deemed appropriate to a professional environment, have long been viewed as necessary elements for a successful career (Anderson-Gough et al. 2001, Haynes 2012). Rivera (2012) found in a US study that employers sought recruits who would fit in, not just in the office but in terms of how they conducted themselves outside of the office. This was because, with the long hours culture, work was more enjoyable if conducted with similar people, with these people being potential friends. Rivera (2012) found that employers viewed fit as cultural similarity to the firm, similar personalities and having a preference for people who fitted with the recruiter's own extra-curricular activities. Thus, hiring became a process of cultural matching or cultural reproduction.

The diversity agenda being actively promoted by the large accounting firms presents a challenge for this view of fit since, by definition, recruiting people from more diverse backgrounds adds variety and lessens the chances of recruiting in line with a narrow conception of fit. Bujaki et al. (2018) show that diversity is mentioned on the websites of the eight largest Canadian

accountancy firms as an important legitimising strategy, with emphasis being placed on the benefits, business case, inclusiveness and broadening the focus to include other types of diversity beyond race and gender. Likewise, diversity is now firmly implanted in the agenda of the Big Four firms in the UK and is recognised as influencing the social construction of professional identity. The rationale for this focus includes the legislative and political landscape that has recognised the social justice case for diversity, the business case, for example, in terms of loyalty to the organisation, increased retention and reputation, and the public interest and profitability case (Edgley et al. 2016). Edgley et al. (2016, p. 32) conclude that ‘firms are signalling, in their messages about diversity, a strong move away from the homogeneity of the past’. The accounting firms display a somewhat ambivalent approach to the business case for diversity, however, often citing the client service case to justify the long hours culture and the need for clients to have constant access to their professional advisers. This can make it more difficult for people with caring responsibilities, including mothers (Gallhofer et al. 2011) and people with disabilities (Duff and Ferguson 2011) to work the long hours that are often expected. While flexible working is available, people can be reluctant to adopt flexible work practices because they can be viewed as career-limiting (Lindsay 2017). Ashley and Empson (2016) therefore conclude that the business case is flawed, but not fatally so, since a reconsideration of the long hours culture against which employees are assessed, and a greater focus on the ‘dual breadwinner’ model, could lead to a reconceptualisation of the business case in a way that incorporates diversity in reality rather than just rhetorically. The diversity agenda has therefore been embraced by accounting firms but still presents challenges in implementation.

Diversity discourse in accounting has been much discussed in relation to gender and now extends to include other dimensions such as ethnicity, disability and sexuality but this paper focuses solely on one aspect, that of social mobility. Research in accounting has frequently adopted a Bourdieusian-inspired social analysis framework referring to an array of capitals – economic, social and cultural – that have been found to be associated with professional career success and which are relevant to a discussion of social mobility (see for example Jacobs 2003, James and Otsuka 2009, Edgley et al. 2016, Duff 2017). These capitals are now considered more fully.

#### **4.2. *An array of capitals within the field – economic, social and cultural***

Bourdieu viewed status as a symbolic aspect of the class structure (Bourdieu 1984) and distinguished between economic, cultural and social capital (Bourdieu 1986). Recent accounting research has found that accountants possess greater social capital (Anderson-Gough et al. 2001), embodied cultural capital (Grey 1998) and economic capital (Carter and Spence 2014) than the general population. To this list can be added a wide range of other capitals including symbolic, emotional, relational and reputational capital (Duff 2017). This paper draws on these concepts and the more recent work of Savage (2015) who was one of a team of sociologists who designed and administered the Great British Class Survey conducted via the website of the BBC in 2011, eliciting over 161,000 responses (Savage et al. 2013). Savage (2015) concluded that high levels of economic capital are self-generating, that our understanding of social divisions needs to take account of the accumulation of economic, social and cultural capitals, and that these three capitals intersect and are crystallised by a range of factors such as elite universities and locations.

For Bourdieu, field is a social space defined as ‘a network, or a configuration, of objective relations between positions objectively defined ... whose possession commands access to the specific profits that are at stake in the field, as well as by their objective relation to other positions’

(Bourdieu and Wacquant 1992, pp. 72–3). Examples of fields include the artistic field, literary field or scientific field (Bourdieu 1990) and academic disciplines (James 1998).

Accounting research has identified the accountancy profession as a social space (McPhail et al. 2010, Duff 2017). Within the field of accounting, however, differences have been found between Big Four and other accounting firms (Empson 2004), suggesting that within a field, there can exist subfields each possessing slightly different characteristics. Duff (2017) finds that Big Four accounting firms emphasise their reputational capital as reflected in prestige and specialisation, supported by a workforce with elite credentials whereas mid-tier firms interpret reputational capital as the need for individuals to service a diverse portfolio. Prestige and reputation also contribute to symbolic capital (Bourdieu 1992, Spence and Carter 2014) which aligns with the symbolism associated with working for a Big Four firm, given that these firms dominate the field in terms of market and status (Carter et al. 2015) and trade on their global reach, international client base and credentials (Boussebaa 2015). Additionally, the Big Four position themselves as employers of choice which is reflected in PwC, Deloitte, KPMG and EY occupying first, sixth, eighth and ninth places respectively in the list of The Times Top 100 Graduate Employers (Times 2017). Given these contextual factors and differences, this paper views the accountancy profession as a field but distinguishes between Big Four and non-Big Four firms.

For Bourdieu (1998), economic capital is concerned with financial and property assets in the form of income and wealth and is of fundamental importance in terms of social positioning. Economic capital is relatively fluid and, to some extent, it can purchase other forms of capital. For example, Duff (2017), although focusing on social and cultural capital, acknowledges that the role of economic capital should not be underplayed since the exercise of economic capital, such as the ability to pay private school fees, enables children to mix in particular social settings and to acquire specific types of social and cultural capital.

Savage (2015) also regards economic capital as being of fundamental importance since people in the UK in higher managerial and professional occupations typically earn considerably more than the next best paid class. He finds that earning differentials are much less for those outside of higher managerial and professional occupations, showing that the top social class stands apart from the others and is in a position to crystallise its position. Savage (2015, p. 72) therefore concludes that ‘certain occupations at the “top end” seem clearly to have pulled away from other occupations of supposedly equivalent skill, expertise and authority in terms of their economic rewards’. Other aspects of economic capital beyond income include housing, savings, pensions, parental support and wealth generally, yet Savage (2015) argues that these, although fundamentally important, have rarely been taken into account in studies of social class. The implication is that the traditional way of identifying social class, by using occupation, is insufficient in itself to fully capture the elements of social class and that it is necessary to also include some measure of economic capital.

Bradley (2014) agrees that economic capital is of crucial importance, lying at the centre of class configurations and that it varies by class, with the elite class being defined primarily by their possession of wealth in the form of land, property, shares and ownership of companies, whereas the middle classes, though possessing wealth such as housing and shares, are defined largely by income. The annual salary survey of members of ICAS gives some indication of their economic capital. The median salary reported by respondents to that survey in 2017 who work full-time was £60,000 for females and £88,000 for males, as against a median UK salary for full-time employees of £29,588 (ONS 2018). This shows that ICAS members typically earn two to three times the UK median salary, thus evidencing superior economic capital.

A difficulty when carrying out research into the social origins of any grouping is the difficulty of collecting reliable income (Goldthorpe 2013) or wealth data (Mills 2014). Hence, in the current study, it is possible that chartered accountants might not have been fully aware of the income and

wealth of their parents. Even where they might have had some awareness, these elements can vary throughout childhood and people may not have accurate recollections. Therefore, as is explained later, this paper instead utilises a measure of social deprivation based on the postcode of the family home in childhood as a proxy for economic capital.

Social capital refers to one's network of lasting relationships and connections, essentially the connections used by the privileged to help them to progress and to protect their interests (Bourdieu 1998). In accounting research, social capital has been found to influence the social networks that accountants employ to achieve career success (Carter and Spence 2014, Duff 2017). Social capital has also been discussed in relation to the temporal commitment exemplified by the long hours culture in the largest accounting firms and the expectation of always being available to service clients. Stressed throughout accountancy training, this temporal commitment is viewed as part of the process of professionalisation of accounting professionals (Anderson-Gough et al. 2001). Children growing up in professional homes, therefore, have understandings of work that include the idea that working long hours is both expected and is viewed as a virtuous practice (Lamont 1992).

Savage (2015) also considers that social networks give advantages. He found that most people know a range of individuals from different classes but that those with higher incomes tend to know a greater number of more elite and professional people. He further finds that the more educated a person is, the more likely they are to know someone from the elite and professional groups in society. His research findings also lead him to conclude that family background is important. He found that those whose parents were professionals or senior managers knew twice as many people in the elite group and have a greater volume of contacts overall. In contrast, those without qualifications are much less likely to know anyone from any of the other occupational clusters. Thus social capital appears to operate a form of closure at both ends of the social spectrum. Overall, therefore, Savage (2015) finds an association between social capital and family background, income and educational attainment. This research paper, therefore, takes into account parental educational and occupational background, the family home and the individual's own education given their association with social capital.

Cultural capital is viewed as relating to certain kinds of culture that generate social advantage (Bourdieu 1998). Savage (2015) also recognises the importance of cultural capital but argues that the identification of certain activities as being highbrow or lowbrow carries a loaded set of signifiers and that cultural capital varies with age and generation. The difficulty of capturing the elusive nature of cultural capital is exemplified by the criticism of Savage's proxies for cultural capital (Bradley 2014, Dorling 2014). However, that does not negate his argument that economic, social and cultural capital can exist in a variety of accumulations and that the processes of accumulation work differently for cultural capital than for economic capital. As McClenaghan (2000) notes, cultural (as well as social) capital is capable of reproduction with few economic resources so that someone could have high cultural and social capital – for example visiting free museums – despite possessing limited economic capital.

In accounting, the lower scores on measures of cultural capital recognised by recruiters of Chinese accounting graduates in Australia placed them at a disadvantage in the recruitment market despite them possessing other forms of cultural capital, such as language skills and knowledge of Chinese business culture that were lacking in white Australian graduates (James and Otsuka 2009). Cultural capital has also been identified in a variety of forms including speech and dress (Haynes 2012), taste, expertise and soft skills (Carter and Spence 2014) and the possession of prestigious qualifications (Anderson-Gough et al. 2001, McPhail et al. 2010). Duff (2017) shows that the Big Four's desire to recruit the most talented individuals is both part of their construction of reputational capital and a recognition that these individuals need to pass the demanding professional examinations. He, therefore, identifies

educational credentials as part of the symbolic cultural capital sought by these large accounting recruiters. In this paper, the educational attainment of parents and the educational experiences of the chartered accountants being investigated are regarded as approximations of cultural capital.

Bourdieu (1977, p. 95) defined habitus as ‘an acquired system of generative schemes objectively adjusted to the particular conditions in which it is constituted’ (Bourdieu 1977, p. 95). Habitus manifests itself in a number of ways, for example, in the recognition of gendered roles, shaped by upbringing (Reay 1998) or through language, whereby pupils elicit different responses from their teacher according to how they engage with him or her (Grenfell et al. 1998). Habitus is often characterised as instinctive – an individual’s second nature as developed through childhood (Earle 1999) – although it can, to some extent, also be learnt, for example via later education (Bouveresse 1999). Habitus links the concepts of field and capitals such that someone who has acquired a variety of capitals can be said to have developed the desired habitus to succeed in a particular field (Duff 2017). This matters because, as Ashley and Empson (2017) found, elite professional firms in London privilege candidates with narrow forms of cultural capital, even though they acknowledge that this contradicts their professed commitment to social inclusion and recruiting the most talented individuals. They, therefore, conclude that this behaviour is enshrined within the habitus of elite firms.

In this section, the key components of Bourdieu’s theory have been discussed. Whilst recognising the dangers of using selected concepts extracted from Bourdieu’s comprehensive system of thought, his conceptions of field, habitus and capitals have been widely used in accounting literature (Malsch et al. 2011), hence are considered appropriate here. The field under consideration is the accountancy profession, specifically in relation to newly qualified members of ICAS. We distinguish between two subfields, Big Four and non-Big Four firms. Insights into economic capital are provided by measuring social deprivation based on the postcode of the childhood family home, as discussed in section 4.3 leading to hypothesis 1. Family educational and occupational background, the family home and the individual’s education provide insights into social capital. Cultural capital is the most difficult to capture but insights here are provided by the educational attainment of parents and the educational experiences of the chartered accountants being investigated. Section 4.4 focuses on parental social class leading to hypotheses 2a and 2b while section 4.5 includes other factors beyond postcode and parental social class that provide further insights into social and cultural capital that are included in further analysis. Specifically, in the ICAS context under consideration, the concern expressed in current policy and literature is that people who come from more deprived backgrounds will lack the capitals possessed by their more advantaged counterparts and hence face disadvantage in their education and subsequent careers, including access to professional careers such as within the accountancy profession. The effect of deprivation and disadvantage is now considered in more detail.

### **4.3. Deprivation and disadvantage**

In its 2017 *State of the Nation* report, the UK’s Social Mobility Commission stated that a stark social mobility postcode lottery exists in Britain today with the chances of a person being successful if they came from a disadvantaged background being linked to where they live. It continued that the effect of residential postcode on prospects is most acute at the youth stage (Social Mobility Commission 2017). This accounts for the focus throughout the UK on increasing the number of young people from disadvantaged backgrounds into higher education (SFC 2017, OFS 2018).



More broadly, the government department, the Department for Children, Schools and Families, identifies three measures of deprivation, two of which operate at the individual level – free school meals and tax credits – and postcodes which operate as a proxy for deprivation. These three measures are more widely used than other measures of socio-economic status which are less likely to be collected or known (Department for Children, Schools and Families 2009). In addition, in Scotland, attainment data is only available by area of deprivation, not by family circumstances, making postcode data the most commonly used measure (Joseph Rowntree Foundation 2017).

Government attention, then, focuses on postcodes as a proxy for economic capital. They are an appropriate measure since there is a clear geographical pattern in incomes. The annual survey of UK personal incomes based on HMRC data (i.e. all employees with a tax record) shows that the number of taxpayers and total income varies by region. London and the south east of England have the highest overall and highest average income while Northern Ireland, the north east of England and Wales have the lowest overall and average income (HM Revenue and Customs 2018). Postcodes break down these regional patterns into smaller groupings since postcodes typically cover around 800–1,000 people. Their reliability is further evidenced by findings that postcodes provide very accurate predictions of longevity which is itself correlated with income and wealth (Geronimus and Bound 1998, Edwards 2010) and with consumer income and spending capacity (TransUnion 2018). Postcodes also correlate very well with a household's likely gross income. Experian is a credit rating and data information company whose data show that when the UK population's income distribution is segmented into 10 bands, postcode accurately predicts 25% of households to the exact decile band and 58% to within 1 band (Experian 2018).

In view of the political policy focus on postcodes and their reliability and widespread usage, we use postcode data as a proxy for economic capital and deprivation. This choice is further justified by the emphasis that the accountancy profession and accountancy firms also place on deprivation, as discussed earlier in Sections 2 and 3. The first hypothesis is therefore:

H1: Being socially deprived/disadvantaged has a negative effect on the prospects of a newly qualified ICAS member being recruited by, and subsequently qualifying with, the Big Four.

Specifically, we incorporate this factor into our study by using the postcodes of our chartered accountants' family homes during childhood. This enables us to include the level of deprivation as measured by either the Scottish Index of Multiple Deprivation<sup>14</sup> (SIMD) for respondents who grew up in Scotland or the Index of Multiple Deprivation<sup>15</sup> (IMD) for respondents who grew up in England.

Postcode data are not a complete measure, however. The indices aggregate data for up to approximately 800–1000 people so it is inevitable that an area measured as relatively deprived by an index may contain fairly large numbers of people who are not deprived and, conversely, areas which are relatively less deprived might contain deprived people (Noble et al. 2006). Therefore, we also include a measure of parental social class as a moderating effect in our analysis, as now discussed.

<sup>14</sup>The Scottish Index of Multiple Deprivation provides a relative measure of deprivation by identifying small area concentrations of multiple deprivation across all of Scotland in a consistent way. It allows effective targeting of policies and funding where the aim is to wholly or partly tackle or take account of area concentrations of multiple deprivation. Further details are available at: <http://www.gov.scot/Topics/Statistics/SIMD>

<sup>15</sup>The Index of Multiple Deprivation is similar to the SIMD explained in the above endnote but covers England. Further details are available at: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>.

#### 4.4. Parental social class

A leading UK researcher in recent times has been John Goldthorpe whose early work produced the so-called Goldthorpe Class Schema, which set out seven broad classes (service class-higher grade; service class-lower grade; routine non-manual employees; small proprietors; lower grade technicians and supervisors; skilled manual workers, and semi- and unskilled manual workers) with the intention of combining people into a class based on their shared similarities in work and market situations (Goldthorpe 1980). Goldthorpe further refined his scheme to address criticisms that it contained a male bias (Goldthorpe 1987) and to include employment relations, for example, between employers, the self-employed and employees representing different social and legal relationships, and international aspects (Erikson and Goldthorpe 1992). Goldthorpe's work was adopted, with some adaptations, by the UK government when it revised its method of social classifications since 'it is accepted internationally and is conceptually clear. It has also been reasonably validated both as a measure and as a good predictor of health, educational and many other outcomes' (ONS 2015). The resultant National Statistics Socioeconomic Classification (NS-SEC), is used in our analysis (see Appendix 1). As well as being the UK's official classification mechanism, this suits our purposes as professionals typically have a high level of autonomy in their work and are expected to use their knowledge to make difficult judgements irrespective of salary level. Therefore, notwithstanding that ICAS members operate in different fields (for example some will be self-employed owners or partners in private practice, others will be employed in industry or commerce) and will have different income levels, all will share a range of professional similarities. Hence we use the Goldthorpe-inspired NS-SEC measure of social class in our study of social mobility among the ICAS 2009 cohort. Chartered accountants come within category 1.2, the higher professional occupations.

The work of Goldthorpe and Mills (2008) is also important because it challenges the frequently quoted assumption that relative social mobility has been declining in the UK in recent years. They only find small and inconsistent changes in relative mobility for both sexes, leading them to conclude that relative social mobility rates have changed very little and that any small movements are insufficient to suggest any reduction in social fluidity. They conclude, therefore, that while there are no strong grounds for regarding the UK today as being more socially mobile or open than in the 1970s, the decade widely regarded as exemplifying increased social mobility, neither are there any grounds for holding the opposite view. They, therefore, challenge the view put forward by Alan Milburn's review into social mobility in the professions that social mobility is declining. They attribute any arguments to support that view solely to the work of economists who show declining inter-generational income levels which are subject to different influences from Goldthorpe's inter-generational class mobility.

Goldthorpe's final contribution to our understanding of social mobility lies in his discussion of the importance of education. The political agenda is predicated on the notion that, in order to increase social mobility, levels of educational attainment achieved by more disadvantaged children must be raised. However, Goldthorpe (2013) has questioned whether raising levels of educational attainment can be effective. His argument is that the twentieth century saw many changes in education, from the raising of the school-leaving age, to changes in the exam systems and in the types of schools, with the decline of grammar schools and the introduction of comprehensive schools, an expansion in higher education, both in the number of universities and the number of students, and improvements in levels of educational attainment generally. Yet, despite this myriad of changes, social mobility rates remained constant until around the 1980s and have since levelled off. He points to the high number of graduates working in non-graduate jobs – overqualification – and to the fact that, in the absence of a general

expansion in managerial and professional jobs, it would not be possible for some people to be upwardly mobile unless others are downwardly mobile. This zero sum game is the obstacle to increasing social mobility since families with greater resources ‘use these resources specifically in reaction to situations in which some threat to their positions might arise’. In other words, social classes have ‘self-maintaining properties’ that work against the forces of social mobility (Goldthorpe 2013, p. 43).

He considers that this capacity is manifested in at least two ways of major importance. First, he argues that parents in more advantaged class positions consider that education, in its relation to employment, operates primarily as a positional good. This means that it is not how much education individuals acquire, but rather how much they acquire relative to others, that is important. Thus, middle class parents will use their superior economic and other resources to improve the educational standards of their children, for example by paying for private education or tutoring, or buying an expensive house in a good school catchment area and providing a wider range of educational support and experiences that develop soft skills. In this way, their children maintain their competitive advantage, a finding confirmed by Paterson et al. (2004) and Blanden and Macmillan (2014). Second, even if children from more advantaged backgrounds do not achieve great educational success, this does not have the same damaging effect on their employment prospects as with children from less advantaged backgrounds. Goldthorpe and Jackson (2008) found that while individuals of working-class origin with low-level qualifications had only slight chances of entering the salariat, their counterparts with parents in the salariat had far from negligible, and rising, chances of maintaining their parents’ position. They did this mainly through obtaining managerial positions in the expanding sales and personal services sectors. Therefore, the emphasis placed by recent governments across the political spectrum to increase the educational attainment of pupils in schools in deprived areas and to increase university participation from such areas is likely to be unsuccessful, or at best only partially successful. It should be pointed out that Goldthorpe is not suggesting that people from such disadvantaged backgrounds should not have access to strategies to achieve higher educational attainment. Rather he is suggesting that such a policy, though worthy in itself, is unlikely to increase social mobility without more radical interventions that might not be acceptable to the government and electorate alike.

In order to gauge levels of social mobility, it is necessary to capture an individual’s social origins to act as a benchmark against which to assess upward or downward mobility. We use the official government version here to classify the occupations of the parents of the 2009 cohort of ICAS admittees in order to identify their social class on this measure. In our analysis, social class is considered to be a moderating variable on the effect of postcode since postcodes aggregate people who have a variety of occupations. This allows for a more subtle consideration of the factors influencing the attainment of professional status since it is well established in the educational and sociological research literature that parents’ occupations influence the educational and occupational attainment of children (Willis 1977, Lampard 1995, Jackson and Marsdon 2011, Buis 2013) as illustrated by the subtitle of Willis’ (1977) book – ‘How working class kids get working class jobs’. It would be expected, on this basis, that if two neighbours in a postcode had different occupations, this occupational status might impact upon a myriad of factors such as economic resources in the way of income, social networks and cultural activities, which could mean that their children might take different paths based on social background despite living next to each other. It is on this basis that we identify social class as a moderating variable in our analysis, leading to the following two hypotheses:

H2a: Social class has a moderating effect on the aforementioned relation: Having parents with elite jobs enhances the prospects of those being socially deprived/disadvantaged being recruited by, and subsequently qualifying with, the Big Four.

H2b: The aforementioned moderating effect of social class varies with the degree of social deprivation: Such an effect is stronger for those being more socially deprived/disadvantaged than their counterparts.

#### 4.5. *Other factors*

Research confirms that a range of other factors beyond deprivation and parental socio-economic status interplay with these primary two so that it is important to use multiple measures or variables in research (Paterson 1991, Jaeger 2007, Bukodi and Goldthorpe 2013). Research often, therefore, adopts a hybrid approach, where additional variables are included in an attempt to capture aspects of social and cultural capital (Bourdieu 1984). These factors include the level of the parents' own education (Dubow et al. 2009, Bukodi and Goldthorpe 2013), the home environment including the number of books in the home (Royal Society 2008), the socio-economic status of peers such as neighbours and friends (van Ewijk and Slegers 2010), parental income, job security and participation in helping with homework, attending parents evenings, reading to children and involving themselves in extra-curricular activities (Richards et al. 2016). Importantly, Richards et al. (2016) show that some of these factors are not entirely dependent on income (for example someone with little money could borrow a book from the library to read to their child) but are associated with parents' educational level, hence they argue that parents who are educated but have poor jobs and little money nonetheless confer advantages on their children because they recognise the activities that will help them to be successful.

Although not the only factor, education and examinations are regarded as playing a major role in the reproduction of capital. Bourdieu and Passeron (1990, p. 153) argue that:

In every country, the inequalities between the classes are incomparably greater when measured by the probabilities of candidature (calculated on the basis of the proportion of children in each social class who reach a given educational level, after equivalent previous achievement) than when measured by the probabilities of passing. Thus, previous performances being equal, pupils of working-class origin are more likely to 'eliminate themselves' ...

It is not surprising, therefore, that education was identified as a key factor relating to access to professions in Alan Milburn's social mobility work for the government. He found that the professions were dominated by people educated at fee-paying schools and elite universities, despite them being in a minority of the population as a whole (Social Mobility and Child Poverty Commission 2014). A similar Scottish report found that leaders in Scotland across politics, public life, business and the media also had elite backgrounds although they were not as elite in terms of school and university education as their counterparts in England and Wales. Amongst Scottish business leaders, defined as CEOs and Chairs of the top 100 companies based in Scotland, for whom data is known, 16% were educated privately and 34% attended a Scottish ancient, Russell Group or Oxbridge university (Social Mobility and Child Poverty Commission 2015). Neither of these two reports included chartered accountants as a separate category. However, another of the Social Mobility and Child Poverty Commission's reports focuses specifically on law and accountancy (Ashley et al. 2015). That report noted that the elite professions have traditionally been the preserve of the upper reaches of UK society. While recognising that data is limited on the socio-economic background of their current populations, it does indicate that access to elite professional firms remains unequal and that their professional employees generally have privileged backgrounds in comparison to the UK population. In relation to the accountancy profession, Ashley et al. (2015, p. 9) noted that:

Information provided by case study firms suggests that up to seventy percent of job offers have been made to graduates educated at a selective state or fee-paying school in a single cohort. This compares to four percent and seven percent of the population as a whole. Data provided by one case study firm showed that less than five percent of new graduate entrants to accountancy firms had received free school meals (FSM). This compares to just over sixteen percent of students in state funded schools in England who are eligible for, and claiming, free school meals. (Ashley et al. 2015, p. 9)

The report continued:

A lack of socioeconomic diversity amongst new entrants to elite firms relates most obviously to a lack of diversity in their applicant base. Data made available to the project team revealed that at leading accountancy firms, typically forty to fifty percent of applicants have been educated at a Russell Group university. These Russell Group applicants receive between sixty and seventy percent of all job offers. The high proportion of applicants from these universities is a direct result of elite firms' recruitment and attraction strategies, which comprise a variety of campus visits and targeted advertising specifically devised with this aim in mind. (Ashley et al. 2015, p. 9)

These conclusions are drawn from 2 primarily interview-based studies carried out by the researchers, 1 focusing on 65 interviews relating to 5 elite law and 5 elite accountancy firms in England, primarily London, and the other focusing on 22 interviews relating to 4 Scottish firms, 3 banks and 1 accountancy firm. Hence, although of interest, the data underpinning the research are not as comprehensive as that included in this paper. It should also be noted that since the publication of the above report, accountancy firms have begun to publish social mobility data on their websites and the Big Four and other firms have now placed diversity issues at the heart of their strategy (Duff 2017) as discussed in Section 3.

Specific factors that have been identified in prior literature include attendance at independent fee-paying or selective state schools such as grammar schools (Sutton Trust 2009a, 2009b, 2014, 2015) and graduation from highly ranked universities including Oxford, Cambridge and the Russell Group (Sutton Trust 2009a, 2009b, 2015). Middle class parents are more adept at getting their child a place at a good school. They collect information from a variety of data sources and use economic resources to pay for private education or to buy a house in a good state school catchment area and are more likely to pay for private tuition and extra-curricular activities (Francis and Hutchings 2013). Concern has also been expressed that young people from disadvantaged backgrounds have lower educational aspirations compared with those from more affluent backgrounds (Skipp and Sadro 2013).

As with school, the social demographic of the student population varies by university. At the so-called Sutton 13 research-led universities (Cambridge, Imperial College London, Oxford, the LSE, University College London, York, Warwick, Bristol, Nottingham, St Andrews, Birmingham, Edinburgh and Durham), 53% of students come from homes in the upper quartile of homes ranked by household income, 6% come from homes in the lowest quartile and 41% of students come from the middle 50% of homes ranked by household income (Jerrim 2014). Therefore pupils in the lowest quartile are significantly under-represented at these universities. Other Sutton Trust research showed similar findings for Sutton Trust 8<sup>16</sup> and Sutton Trust 30<sup>17</sup> universities.

<sup>16</sup>Sutton Trust top 8: LSE, Nottingham, UCL, Durham, Manchester, Warwick, Oxford and Cambridge

<sup>17</sup>Sutton Trust top 30: Bath, Birmingham, Bristol, Cambridge, Cardiff, Durham, Edinburgh, Exeter, Glasgow, Imperial College, King's College London, Lancaster, Leeds, Leicester, Liverpool, LSE, Manchester, Newcastle, Nottingham, Oxford, Reading, Royal Holloway London, Sheffield, Southampton, St Andrews, Strathclyde, Surrey, UCL, Warwick, York

Mirroring these literature findings, as Section 3 showed, school and university background has been taken up as a key issue by the Big Four accountancy firms too. We, therefore, included questions on school and university background when designing our questionnaire. The information collected related to the name and category of school they attended and their educational qualifications obtained at school. Respondents were also asked about the university they attended, their degree subject and class of degree awarded. In the analysis, we use the category of Sutton Trust 8 as a measure of highly elite universities. However, this category does not include any Scottish universities. Since the people admitted to ICAS in 2009 came largely from Scotland and England, for consistency with prior research we decided to use the category of Sutton Trust 30 as well as Sutton Trust 8 as the former includes four Scottish universities.

The educational attainment level of parents has also been identified as a significant factor in a child's likelihood of going to university. Children of parents with a degree are 2.8 times more likely to go to university than those with parents with lower education (Ermisch 2012). The education of mothers, especially whether the mother has a degree, is particularly important (Sammons et al. 2015a). Their data show that the most statistically significant factors in predicting high achievers at the age of 11 are whether the mother had a degree or higher degree, followed by mother being in full-time education to the age of 18, followed by gender. Therefore, as well as asking respondents about the occupations of their parents while they were growing up (in order to compare parents and children at approximately the same stage in life as a measure of social class and social mobility), we also asked whether their mother and/or father had a degree.

#### **4.6. Comparisons with other professions**

Recent literature suggests that while the professions are viewed as having limited social mobility, not all professions display the same barriers to entry. Laurison and Friedman (2015) found that there appears to be a strong distinction between traditional professions, such as medicine and law, which are dominated by the children of managers and professionals, and more technical occupations such as engineering and IT that appear to recruit more widely. They found the highest levels of inter-generational stability in medicine (52.6% of current professionals being in the same social class as their parents) and law (42.6%). The levels of inter-generational stability in finance careers (30.8%) and accounting (26.2%) were lower, indicating higher degrees of social mobility than medicine and law, but, in these two professions, 47 and 44% respectively had either remained in their family social class or had only moved up slightly, hence showing limited social mobility. Only 14.2% and 18.4%, respectively had come from the lowest social classes. These findings give the impression of accountancy being slightly more open than some other professions, most notably medicine and law, but still showing considerable barriers to entry.

Given that we profile chartered accountants who were admitted into membership in 2009, three studies of the medical and legal professions in the UK at around the same time period are especially relevant. A study of medical graduates who were undertaking their post-graduation hospital year in 2013 showed that 37% had attended fee-paying schools and a further 24% had attended selective state-funded schools. 65% came from families where one or both parents had a university degree (GMC 2013). Forty per cent had a parent whose occupation placed them in social classification 1.1 or 1.2 and a further 26% had a parent whose occupation was in class 2, hence 66% were sons or daughters of professionals (BMA 2009). The Law Society of Scotland (2013) also conducted a profile of its membership in 2013. In the 25–35 year age group, the most comparable with our data, 22% had attended an independent, fee-paying school, while approximately 57% had at least one parent who possessed a university degree. Fifty-eight per cent of fathers and 36% of mothers were described as having



professional, managerial or executive occupations which are broadly equivalent to social classifications 1.1, 1.2 and 2. This data from medicine and law provides benchmarks against which our ICAS newly qualified members can be assessed in order to provide a more nuanced understanding of relative positions.

## 5. Research method

### 5.1. Sample

A questionnaire was issued to all people who had been admitted to membership of ICAS in 2009. Typically, these entrants would have begun their three-year training contract in 2005 or 2006.<sup>18</sup> Up until the 1990s, ICAS only trained in Scotland but it then moved into training in England and Wales (mainly London offices of some of the Big Four). ICAS admissions peaked in 2009 reflecting the boom years prior to the financial crisis and fell sharply in 2012, reflecting reduced graduate entry into jobs in 2009 as the firms altered their recruitment policies in response to the recession. Figure 1 shows the admission statistics for the period 2000–2017. We selected entrants in 2009 as this is the largest entry year to date and therefore would have provided more opportunities for social mobility than smaller cohorts.

The questionnaire was sent to all 886 people admitted to ICAS in 2009 (483 men and 403 women). 212 replies were received, a response rate of 23.9%, 149 in response to our initial mailing and 63 in response to our second mailing. We compared first and second mailings and found no significant differences, suggesting that there is no evidence of non-response bias. This response rate compares favourably with recent surveys of accountants (Bamber and Iyer 2002 – 22.8%, Elias 2002 – 15.2%, Valentine and Fleischman 2003 – 9.5% and Suddaby et al. 2009 – 16.7%).

For our population, we knew members' names, addresses and their training offices. To assess how well our sample represents the population we compared the gender and type of firm (Big Four/non Big Four) of our respondents with ICAS data on those admitted to membership in 2009. The gender split of our sample is 46% male and 54% female as compared with a split of 55% male and 45% female in the complete 2009 ICAS membership population (2-tailed *t*-test result for comparison of means gives the following results:  $t = 2.329$ ,  $DF = 990$ ,  $p = .0201$  at 5% level). Our sample included 74% from Big Four and 26% from non-Big Four firms as compared with a split of 67% Big Four and 33% non-Big Four in the complete 2009 ICAS membership population (2-tailed *t*-test result for comparison of means gives the following results:  $t = 2.073$ ,  $DF = 1076$ ,  $p = .0384$  at 5% level). Therefore, although within acceptable tolerances, females and non-Big Four CAs are slightly over-represented and this needs to be recognised when interpreting the results. Nonetheless, we have responses from almost a quarter of the entire population of 2009 entrants so the results still provide a useful snapshot of the social profile of the ICAS class of 2009.

### 5.2. Survey design

In order to investigate inter-generational class mobility, it is necessary to know both an individual's own class position in adult life (class destinations) and the class position of the family in which they grew up (class origins) (Goldthorpe and Mills 2008). Drawing from the research

<sup>18</sup> Assuming satisfactory examination performance, someone beginning a training contract in 2005 or 2006 would have become eligible for admission to membership three years later. Most people join ICAS shortly after the expiry of their three-year training contract but some wait as they can be admitted up to one year after becoming eligible. Hence, most of our cohort would have begun their traineeship in 2006.

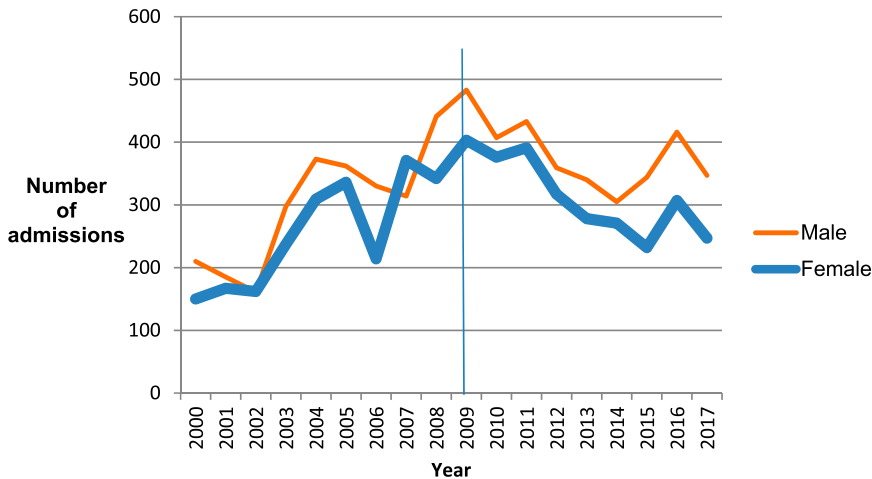


Figure 1. ICAS admissions 2000–2017.

discussed in the previous section, our questionnaire was designed to capture both of these elements by including the following: training and employment (Big Four, non-Big Four firm), schooling (name and type of school, qualifications obtained); university education (name of university, degree title and grade) and family background (postcode of family home when growing up, occupation during childhood and educational background of mother and father, specifically whether they had a degree) and background data on respondents (gender, age and ethnicity). This data are designed to relate to the hypotheses stated earlier. The relationships tested are represented in Figure 2:

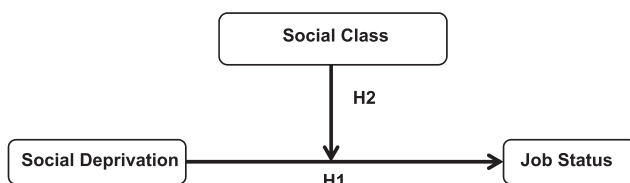
We refer to newly qualified chartered accountants rather than recruits as our sample was based on people admitted to membership of ICAS in 2009 following their three year training contract and exam passes. We cannot comment on recruitment as we do not have data on applicants, recruits into training contracts or those who failed to qualify. Hence we focus on those recruits who go on to qualify as members of ICAS.

### 5.3. Variable measurement

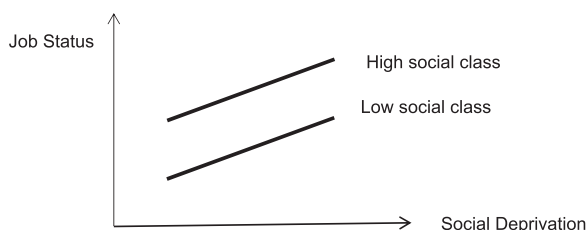
As discussed earlier, the postcodes of the respondents' childhood homes are used to identify the IMD (England) or SIMD (Scotland), a measure of multiple deprivations. In the SIMD, all post-code areas are ranked and grouped into 20 zones, with zone 1 representing the 5% of most deprived households in Scotland and 20 representing the 5% of least deprived households. The index combines 38 indicators across 7 domains, namely: income, employment, health, education, skills and training, housing, geographic access and crime. Likewise, the IMD ranks postcodes in England and Wales, again utilising the same seven domains.

These deprivation indices are generally considered to be reliable and an advance on previous proxies (Deas et al. 2003). They are also considered to be a relevant proxy since housing deprivation correlates well with long-term income (Fusco 2015). They are widely used across government, the National Health Service, among charities and in academia (UK Statistics Authority 2010). They undergo periodic enhancements to ensure they remain valid. For example, an earlier version of the SIMD was evaluated and pronounced generally valid but some modifications were suggested which were included in the next and subsequent versions (McConnachie

Panel A: Overall diagram of the relations tested



Panel B: Hypothesised effect of socioeconomic status on the social deprivation-job status relation



Two-way interaction between socioeconomic status and social deprivation

**Where:**

**Social Deprivation** is represented by the postcode of the family home during childhood with low scores relating to the most deprived and high scores relating to the least deprived postcode areas

**Social Class** is represented by parental occupations on the NS-SEC with unskilled and manual occupations ranking lowest and higher and professional occupations ranking most highly

**Job status** refers to qualification with Big Four or non-Big Four firm, with Big Four being regarded as higher status reflecting status as employer of choice

Figure 2. Panel A: Moderator of the relation between social deprivation and job status. Panel B: Simple slopes (marginal effects) of the interactions.

and Weir 2005). Of particular relevance for this study is the clear correlation found between the SIMD (Universities Scotland 2012) and IMD (HEFCE 2017), and university participation.

We match the postcode of the newly qualified accountants' family homes during childhood as provided by respondents in the survey with either the Scottish Index of Multiple Deprivation for respondents from Scotland or the Index of Multiple Deprivation for respondents from England. This captures the extent to which the respondents come from deprived areas. With regard to social class, we follow the NS-SEC and classify respondents as having higher ranked social class when their parents have elite jobs (within categories 1.1, 1.2 and 2) during childhood. We further separate this highly ranked social class into very elite jobs (within categories 1.1 and 1.2) and elite jobs (within category 2) to examine whether there exist different effects between these two elite groups.

## 6. Results

### 6.1. Descriptive statistics

We present the descriptive statistics in Table 1. Panel A of Table 1 shows the statistics for the full sample as well as the definition of each variable. Most of the variables are indicator or dummy

Table 1. Sample statistics.

## Panel A: Pooled sample

	Definition	Mean	p25	Median	p75	Standard deviation	Number of observations
Big 4	Big 4 Accounting firms: 1 if recruited by the Big 4 accounting firms; 0 if not	0.670	0	1	1	0.471	212
D Index	Deprivation Index: Deprivation Index divided by 4	3.933	3	4	5	1.175	165
Elite Job_Parent	Parents with Elite Jobs: 1 if either parent has a job classified as elite job; 0 if not	0.731	0	1	1	0.444	212
Job Code_Father	Father job classification	2.742	1.2	2	4	2.179	212
Job Code_Mother	Mother job classification	4.567	2	3	8.5	3.121	212
School_Fee	Fee-paying school: 1 if attending a fee-paying school; 0 if not	0.189	0	0	0	0.393	201
School_Grammar	Grammar school: 1 if attending a grammar school; 0 if not	0.095	0	0	0	0.293	201
School_Score	Total score of subjects taken in school	348.537	325	360	370	40.870	205
University_ST8	SuttonTrust 8 University: 1 if attending a university classified as SuttonTrust 8 University; 0 if not	0.252	0	0	1	0.435	210
University_ST30	SuttonTrust 30 University: 1 if attending a university classified as SuttonTrust 30 University (excluding SuttonTrust 8 universities); 0 if not	0.524	0	1	1	0.501	210
Subject	Subject classification: 1 if taking accounting related subjects; 0 if not	0.656	0	1	1	0.476	212
Degree_Class	University degree class: 1 if receiving a first; 0 if not	0.278	0	0	1	0.449	209
Degree_Parent	Parents with degrees: 1 if either parent receives a degree; 0 if not	0.524	0	1	1	0.501	208
Degree_Father	Father with degree: 1 if father receives a degree; 0 if not	0.438	0	0	1	0.497	208
Degree_Mother	Mother with degree: 1 if mother receives a degree; 0 if not	0.375	0	0	1	0.485	208
Gender	Gender: 1 for females; 0 for males	0.542	0	1	1	0.499	212
Region	Region: 1 for England; 0 for Scotland	0.547	0	1	1	0.499	192

(Continued)

Panel B: Sub-sample

	Big 4 = 1			Big 4 = 0			Differences in means <i>T</i> -statistic	Differences in medians <i>Z</i> -score
	<i>N</i> = 142			<i>N</i> = 70				
	Mean	Median	Standard deviation	Mean	Median	Standard deviation		
D Index	4.037	4	1.132	3.741	4	1.236	−1.552	−1.541
Elite Job_Parent	0.782	1	0.415	0.629	1	0.487	−2.385**	−2.359**
Job Code_Father	2.499	1.2	2.005	3.234	2	2.436	2.337**	2.245**
Job Code_Mother	4.706	3	3.222	4.286	3	2.908	−0.922	−0.645
School_Fee	0.256	0	0.438	0.059	0	0.237	−3.454***	−3.363***
School_Grammar	0.120	0	0.327	0.044	0	0.207	−1.751*	−1.742*
School_Score	350.552	360	32.635	344.565	355	53.597	−0.9909	0.139
University_ST8	0.338	0	0.475	0.074	0	0.263	−4.287***	−4.119***
University_ST30	0.535	1	0.501	0.500	0.5	0.504	−0.4760	−0.477
Subject	0.599	1	0.492	0.771	1	0.423	2.516**	2.485**
Degree Class	0.319	0	0.468	0.191	0	0.396	−1.944*	−1.931*
Degree_Parent	0.568	1	0.497	0.435	0	0.499	−1.822*	−1.812*
Degree_Father	0.460	0	0.500	0.391	0	0.492	−0.944	−0.944
Degree_Mother	0.410	0	0.494	0.304	0	0.464	−1.484	−1.479
Gender	0.465	0	0.501	0.700	1	0.462	3.300***	3.225***
Region	0.701	1	0.460	0.246	0	0.434	−6.606***	−5.973***

\*Significant at 10% level.

\*\*Significant at 5% level.

\*\*\*Significant at 1% level.

variables that have a value of either one or zero. In addition, we separate our sample into two subsamples, one with survey respondents who qualified with the Big Four and the other with those who did not. Panel B shows the statistics for these two subsamples, together with *t*-statistics and *z*-scores for the mean and median tests, respectively, between these two groups.

The descriptive statistics provide a snapshot of the profile of the average newly qualified chartered accountants in 2009. This initial snapshot of the 2009 cohort shows that they came from the least deprived sections of society, having grown up in neighbourhoods averaging in the upper quartile in terms of deprivation indices. Around three-quarters came from professional homes, either higher professional homes where a parent is an accountant, or lawyer or doctor or similar professional, or lower professional homes where a parent is, for example, a teacher or a nurse. This shows that only around a quarter of the class of 2009 are displaying any significant upward vertical inter-generational social mobility. This places the class of 2009 as an elite group and supports Goldthorpe's (2013) view that the middle classes will be able to utilise their resources to maintain their position relative to others.

Breaking down this general overview, Panel A first shows that about 67% of our survey respondents qualified with the Big Four. In terms of economic capital, they grew up in neighbourhoods that have an average Deprivation Index of 16 (out of 20, where 20 represents the 5% of least deprived neighbourhoods) which provides initial support for the need for policies to broaden the reach of the professions to those from more deprived areas (Social Mobility Commission 2017). Turning to social capital, 73% have a parent whose job is classified as an elite job during childhood (NS-SEC classifications 1.1, 1.2 or 2) confirming prior research that shows that there is a large degree of inter-generational stability in jobs (Jackson and Marsdon 2011, Buis 2013).

As regards education, 18.9% and 9.5% of the respondents attended a fee-paying school and a grammar school, respectively. They performed very well at school. The mean (median) UCAS score is 348.537 (360). A median UCAS score of 360 represents someone who achieved three As at A level or three As and two Bs at Scottish higher level. Many had achieved higher qualifications, such as five As at higher. This enabled 78% to go to elite universities and 28% to get a first class degree with nearly all gaining a first or upper second class honours degree. 25.2% of the respondents graduated from a Sutton Trust 8 university and a further 52.4% graduated from a Sutton Trust 30 university (excluding Sutton Trust 8 universities). These initial findings lend support for the widely accepted view that educational opportunities and background are strongly associated with professional status (Social Mobility Commission 2017). 65.6% obtained a degree in accounting or a related discipline. The education findings provide insights into the respondents' social and cultural capital that support Goldthorpe's (2013) position that the middle classes are able to access the best schools either by paying fees directly or gaining access to selective schools via good entrance exam results or by living in more affluent areas with better state-funded schools in order to assist their children into professional careers. Our findings in relation to education show that the changes in recruitment policies of the Big Four away from requiring a strict minimum level of UCAS points or degree class or both have focused on an area that does appear to operate as a barrier to entry to graduates whose school or university results may fall short because of the neighbourhood or family background they came from or the school they attended.

The parents of slightly more than half of the respondents have a degree. This element of cultural capital is a factor known to be associated with the occupational success of children (Ermisch 2012) so the finding that only just over half of our cohort had graduate parents does indicate some level of social mobility in this regard. 54.2% of respondents are female and 54.7% are from England, reflecting the fact that ICAS now trains substantial numbers of Big Four trainees in England as well as in Scotland.



67% of our survey respondents qualified with the Big Four. We were interested in investigating whether those members of the class of 2009 who qualified with the Big Four came from different social backgrounds from those who qualified outside of the Big Four. The summary statistics reported for the two subsamples, as included in Panel B, show that although the average Deprivation Index is slightly higher for the Big 4 ICAS members, the difference is not significant, hence the two groups have family homes in similar areas of affluence. However, those who qualified with the Big Four are more likely to be male, to have parents, especially the father, with elite jobs, to have attended a fee-paying (or, to a lesser extent, a grammar) school, and to have graduated from a highly elite Sutton Trust 8 university with a first class degree. Both the mean and median percentage of parents having elite jobs is significantly higher in the group who qualified with the Big Four, which seems to be driven by fathers' occupations. This calls into question the preoccupation of government policy and Big Four recruiters with deprivation and suggests that their focus should include parental occupational background. The findings that there is a higher propensity that those who qualified with the Big Four attended a fee-paying (or, to a lesser extent, a grammar) school, that they graduated from a Sutton Trust 8 university with a first degree class, and/or with a degree not related to accounting provide support for the Big Four's focus on educational attainment as discussed in Section 3. The Big Four have more male newly qualified chartered accountants as well as more from England. Whilst the latter reflects the large number of recruits in London offices, the gender split is more surprising. These findings relating to gender and location are discussed further in Section 6.4.

Overall, the results show that, when compared to other accounting firms, the Big Four do not seem to discriminate against socially deprived/disadvantaged candidates who go on to qualify as chartered accountants (as measured by family postcode), but their newly qualified CAs appear to have higher ranked social class (as measured by parental occupations), together with other distinct features in terms of education and family backgrounds. This initial evidence of their greater economic, social and cultural capital than non-Big Four newly qualified chartered accountants lends weight to the need for social mobility policies to incorporate multiple measures of the social background rather than focusing on a narrow range (Paterson 1991, Jaeger 2007, Bukodi and Goldthorpe 2013).

## 6.2. *Multivariate analyses*

We conduct a multivariate regression analysis with probit model estimation to test our hypotheses. Table 2 displays the pair-wise correlations among the key variables of interest.

Table 3 presents the results. In all models, the dependent variable is Big Four, an indicator variable that is coded one if the survey respondent is recruited by the Big Four, and zero otherwise. Models 1–3 show the results with main effects only and Models 4–8 include the interaction effects.

The evidence indicates that respondents who have grown up in less deprived areas are more likely to qualify with the Big Four than non-Big Four firms. In addition, those whose parents' jobs have elite status when they grow up are more likely to qualify with the Big Four. Generally speaking, the interaction term of D Index\_H and Elite Job\_Parent is negative and statistically significant ( $p < .10$ ) across different model specifications, which suggests that it is more likely for respondents who have grown up in more deprived areas to qualify with the Big Four when their parents have elite jobs during their childhood. In other words, the disadvantage of being socially deprived is overcome for these people by having higher social class as measured by parental occupation. A father's elite job status seems to play a more important role than a mother's elite job status in influencing entry/qualification with the Big Four (Models 6 and 7). This suggests that social deprivation as measured by postcode is not in itself a barrier to qualification with the

Table 2. Correlation matrix.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Big 4	1																
2. D Index	0.12	1															
3. Elite Job_Parent	0.16**	0.28***	1														
4. Job Code_Father	-0.16**	-0.29***	-0.66***	1													
5. Job Code_Mother	0.06	-0.17**	-0.29***	0.10	1												
6. School_Fee	0.24***	0.08	0.01	-0.06	0.09	1											
7. School_Grammar	0.12*	0.09	-0.03	-0.01	0.03	-0.16**	1										
8. School_Score	0.10	-0.02	0.13*	-0.09	-0.13*	-0.00	-0.13*	1									
9. University_ST8	0.28***	0.02	0.05	0.02	0.06	0.24***	0.06	-0.05	1								
10. University_ST30	0.03	0.00	0.07	-0.16**	-0.13*	-0.09	-0.01	0.10	-0.61***	1							
11. Subject	-0.17**	-0.11	-0.06	0.05	0.06	-0.17**	-0.01	0.11	-0.28***	0.06	1						
12. Degree Class	0.13*	0.05	-0.04	-0.01	0.00	0.05	-0.01	-0.02	-0.14**	0.17**	-0.01	1					
13. Degree_Parent	0.13*	0.18**	0.39***	-0.40***	-0.25***	0.04	-0.06	0.20***	0.05	0.12*	-0.12*	-0.01	1				
14. Degree_Father	0.07	0.15*	0.30***	-0.32***	-0.18**	0.10	-0.00	0.17**	0.08	0.06	-0.14**	-0.05	0.84***	1			
15. Degree_Mother	0.10	0.07	0.39***	-0.36***	-0.32***	-0.08	0.00	0.15**	-0.01	0.16**	-0.04	-0.04	0.74***	0.52***	1		
16. Gender	-0.22***	-0.13	-0.17**	0.22***	-0.10	-0.17**	0.02	0.11	-0.25***	0.02	0.05	0.08	-0.07	-0.04	-0.04	1	
17. Region	0.43***	0.06	0.01	-0.00	0.10	0.22***	0.27***	-0.33***	0.47***	-0.21***	-0.30***	0.04	0.01	0.02	-0.06	-0.23***	1

Notes: The table reports pair-wise correlations. All significance level are two-tailed. See Table 1 for variable definition.

\*Significant at 10% level.

\*\*Significant at 5% level.

\*\*\*Significant at 1% level.

Table 3. Regression analysis results – Big 4.

	Dependent variable: Big 4							
	Main effects only			Interaction effects included				
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
D Index_H	0.337 (1.52)	0.269 (1.17)	0.225 (0.79)	1.062*** (2.65)	1.091** (2.18)	0.777* (1.77)	0.966** (2.57)	1.250** (2.4)
Elite Job_Parent		0.310 (1.34)	0.351 (1.1)	1.095*** (2.74)	1.139** (2.31)			0.796 (1.47)
Elite Job_Father						0.968* (1.95)		
Elite Job_Mother							0.327 (0.64)	
Highly Elite Job_Parent								1.625** (2.19)
School_Fee			0.823* (1.91)		0.935** (2.03)	0.885* (1.96)	0.904** (2.05)	0.909* (1.86)
School_Grammar			0.590 (0.98)		0.639 (1.05)	0.619 (1.01)	0.662 (1.04)	0.763 (1.19)
School_Score			2.828** (2.49)		2.842*** (2.66)	2.919*** (2.6)	3.197*** (2.83)	3.440** (2.54)
University_ST8			0.814* (1.77)		0.873* (1.85)	0.903* (1.92)	1.026** (2.12)	1.357*** (2.61)
University_ST30			0.747** (2.35)		0.797** (2.45)	0.763** (2.36)	1.126*** (3.08)	1.032*** (2.86)

Subject			0.287 (0.93)		0.258 (0.82)	0.302 (0.95)	0.248 (0.77)	0.446 (1.26)
Degree Class			0.352 (1.18)		0.401 (1.34)	0.417 (1.37)	0.356 (1.15)	0.318 (0.98)
Degree_Parent			-0.378 (-1.29)		-0.334 (-1.11)	-0.358 (-1.18)	-0.010 (-0.03)	0.067 (0.19)
Gender			-0.349 (-1.31)		-0.364 (-1.34)	-0.340 (-1.25)	-0.333 (-1.2)	-0.168 (-0.58)
Region			1.339*** (3.79)		1.260*** (3.54)	1.285*** (3.62)	1.259*** (3.4)	1.332 (3.25)
D Index_H * Elite Job				-1.227** (-2.46)	-1.342** (-2.17)	-0.988* (-1.7)	-1.480** (-2.42)	-1.771*** (-2.58)
D Index_H * Highly Elite Job								-1.228** (-1.4)
Constant	0.140 (0.75)	-0.036 (-0.16)	-17.769*** (-2.64)	-0.480 (-1.6)	-18.299*** (-2.89)	-18.612*** (-2.8)	-20.271*** (-3.02)	-22.464*** (-2.77)
Pseudo R2	0.0107	0.0192	0.3116	0.0483	0.3358	0.3259	0.3616	0.3967
Number of observations	165	165	158	165	158	158	158	158

Notes: The table reports non-standardised coefficients, z-values in parentheses. All significance levels are two-tailed. See [Table 1](#) for variable definition.

\*Significant at 10% level.

\*\*Significant at 5% level.

\*\*\*Significant at 1% level.

Big Four but that other measures of the social class come into play, most notably a father's occupation, confirming the usefulness of incorporating occupational measures of social class into recruitment thinking (Goldthorpe and Mill's 2008). The influence in particular of a father's occupation is striking because we find that the mothers of our cohort tend to have lower professional jobs in class 2 rather than class 1.2 (such as being a teacher or nurse) or to be mothers who are not in work, the latter being associated with having sufficient family income as a whole to permit them to make this choice (Gallhofer et al. 2011). These findings suggest that it is not economic capital *per se* but rather the interaction with social and cultural capital that influence the respondents' location in either the subfield of Big Four or non-Big Four accounting firms.

As for the control variables, we find that attending a fee-paying school, obtaining a higher UCAS score, or graduating from a Sutton Trust 8 (or 30) university significantly enhances the chances of qualifying with Big Four, as opposed to non-Big Four, accounting firms. The explanatory power of our regression models increases greatly when we include these control variables in models with main effects only and also those with interaction effects. This shows the power of education (Ashley et al. 2015) but when combined with the findings relating to parental, especially fathers', occupations, shows that the middle classes are adept at securing the best education opportunities for their children (Francis and Hutchings 2013).

The above findings show that, overall, respondents whose parents, especially fathers, held more elite occupations, tended to live in less deprived postcode areas but, since we found evidence of respondents being able to overcome social deprivation, we were interested to learn more about the respondents who were more socially deprived in terms of childhood postcode but whose parents had elite jobs. Table 4 provides this comparison and shows that the only statistically significant variable relates to the job code of the father's occupation. Whereas those who had lived in the most affluent areas had fathers who held jobs in class 1, the higher managerial and

Table 4. Comparison of respondents whose parents have elite jobs whose childhood homes were in the least and most deprived postcode areas.

Respondents whose parents have elite jobs	D_Index_H = 0 (most deprived)			D_Index_H = 1 (least deprived)		
	N = 26			N = 95		
	Mean	Median	Standard deviation	Mean	Median	Standard deviation
D Index	2.423***	3***	0.758	4.600	5	0.492
Elite_Job_Parent	1.000	1	0.000	1.000	1	0.000
Job_Code_Father	2.650***	2*	2.581	1.674	1.2	1.181
Job_Code_Mother	4.215	2	3.264	3.825	2	2.915
School_Fee	0.115	0	0.326	0.181	0	0.387
School_Grammar	0.000	0	0.000	0.096	0	0.296
School_Score	355.000	360	32.924	350.211	355	38.791
University_ST8	0.231	0	0.430	0.245	0	0.432
University_ST30	0.577	1	0.504	0.585	1	0.495
Subject	0.731	1	0.452	0.621	1	0.488
Degree_Class	0.154	0	0.368	0.309	0	0.464
Degree_Parent	0.600	1	0.500	0.660	1	0.476
Degree_Father	0.480	0	0.510	0.543	1	0.501
Degree_Mother	0.480	0	0.510	0.468	0	0.502
Gender	0.500	0.5	0.510	0.463	0	0.501
Region	0.538	1	0.508	0.526	1	0.502

\* $p < .10$ , \*\* $p < .05$ , \*\*\* $p < .01$ .

professional occupations, those who had lived in the more deprived areas had fathers whose job code was in class 2. Therefore, these fathers, whilst still holding managerial and professional jobs were not in as elite jobs as those from more affluent areas. We observe some other differences. Those from less affluent areas were slightly less likely to have attended fee-paying or grammar schools but had achieved slightly higher school grades. They were slightly more likely to have studied an accounting related degree and were slightly less likely to have graduated with a first. However, none of these findings are statistically significant. Therefore, these findings provide further evidence to support the suggestion that where accounting firms recruit from more deprived areas, it is also important to consider parental occupation as recruits from deprived postcodes may not look so deprived when parental social class is taken into account.

### 6.3. Simple slope analyses

Overall, the results in Table 3 support our hypotheses. To better understand and interpret the interaction effects reported in Table 3, we conduct a simple slope analysis. Figure 3 illustrates the simple slopes. The two graphs plot the results from Table 3 (Models 5 and 8, respectively), which show the predicted probability of respondents qualifying with the Big Four as a function of the extent of being socially deprived (D Index\_H) in high versus low social class groups (Elite Job\_Parent) as well as in very high, high, versus low social class groups (Highly Elite Job\_Parent, Elite Job\_Parent). These graphs help us examine the differential impact of social class on the relation between being socially deprived (or not) and qualification with the Big Four.

Consistent with our H2 hypotheses, the upper graph shows the strong effect that having a parent with an elite job has on the likelihood of being recruited and subsequently qualifying with a Big Four firm, regardless of the extent of being socially deprived. In particular, this effect is particularly pronounced for respondents who come from more deprived areas. This means that, for those who come from more socially deprived areas, their prospects of qualifying with a Big Four firm are greatly enhanced when their parents have elite job status. The lower graph in Figure 3 provides what initially looks like a surprising result. It shows the consistently high level of success of those who have parents who hold the highly elite managerial and professional occupations in securing Big Four qualification. It further shows that the gains made by those from non-managerial and professional backgrounds are not made at the expense of those whose parents had highly elite occupations but rather shows a substitution effect from those whose parents held lower managerial and professional occupations. This strikingly illustrates the argument put forward by Goldthorpe (2013) that social mobility is not a zero sum game. Our findings show that the elite in terms of both postcode and occupation are able to hold their position and that when displacement occurs, it does so at the level just below. This is a new and important finding because it points to the need for employers to think not only about who they are taking through to qualification but who is moving out to make way for these new accountants. In effect, one unintended consequence can be that one form of unfair access can replace another.

### 6.4. Additional analyses

As part of our efforts to address endogeneity issues, we conduct two sets of separate regression analyses in order to examine whether the determinants of qualification with the Big Four are different between male and female candidates, and between candidates from Scotland and those from England. We replicate our main multivariate analyses and report our results in Table 5 (Panel A for gender and Panel B for region). Similar to the previous section, we



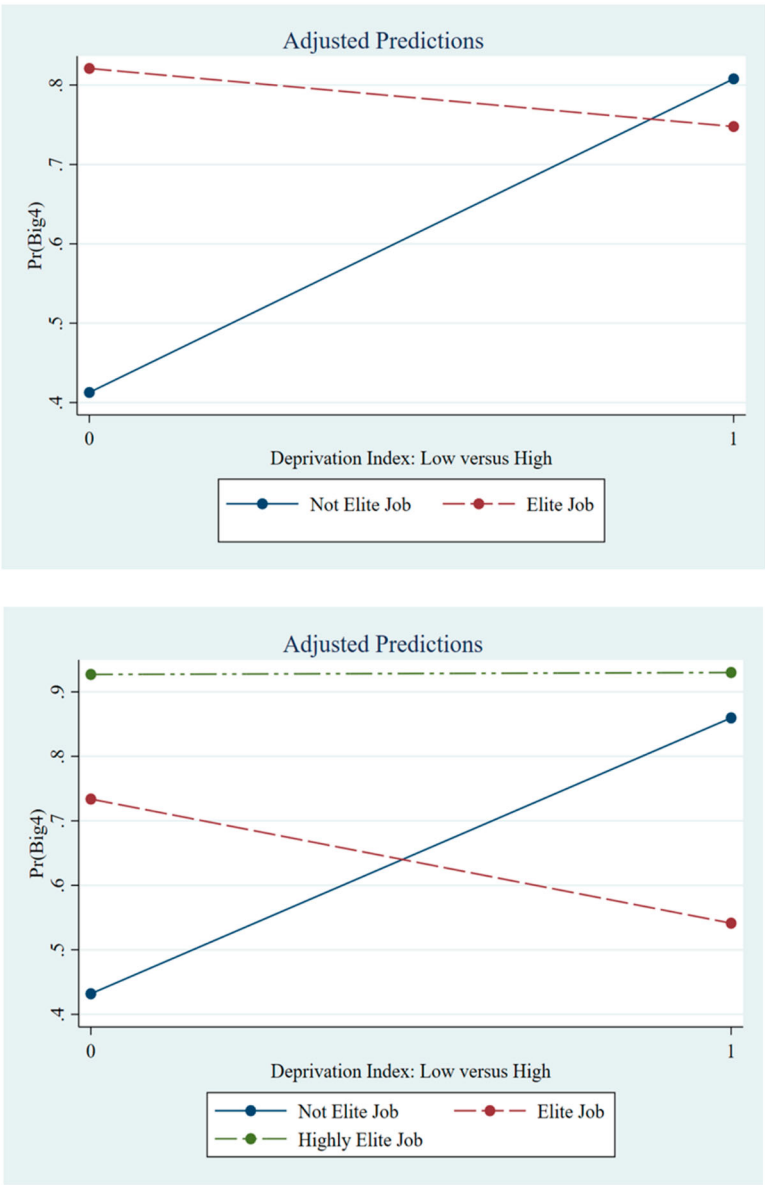


Figure 3. Simple slopes (marginal effects) of the interactions.

conduct the simple slope analyses and plot simple slopes for different subsamples based on gender and region, as shown in [Figure 4](#).

Overall, our findings indicate different determinants of social mobility between male and female respondents. The main results of social deprivation and social class found in the previous section seem to hold for male respondents, and less so for female respondents. In respect of the control variables, receiving a higher UCAS score increases the chances of qualifying with the Big Four for a male candidate; while for a female candidate, attending a Sutton Trust 30 university enhances her chances. The explanatory power of our regression models is higher in those with

Table 5. Additional regression analysis results.

Panel A: Gender								
	Dependent variable: Big Four							
	Main effects only		Interaction effects included					
	Model 1: Male	Model 2: Female	Model 3: Male	Model 4: Female	Model 5: Male	Model 6: Female	Model 7: Male	Model 8: Female
D Index_H	0.036 (0.07)	0.442 (1.05)	1.441 (1.43)	1.311* (1.85)	1.191 (1.38)	0.788 (1.34)	1.417 (1.42)	1.506** (2.03)
Elite Job_Parent	1.372** (2.41)	−0.176 (−0.38)	2.822*** (2.6)	0.536 (0.82)			2.401** (2.14)	0.107 (0.14)
Elite Job_Father					2.571** (2.47)	0.269 (0.4)		
Highly Elite Job_Parent							1.085 (1.41)	0.813 (0.64)
School_Fee	0.745 (1.18)	0.701 (0.87)	0.965 (1.36)	0.795 (0.92)	0.928 (1.37)	0.766 (0.93)	0.941 (1.31)	0.304 (0.33)
School_Grammar		−0.063 (−0.08)		−0.018 (−0.02)		−0.071 (−0.09)		−0.336 (−0.36)
School_Score	5.050*** (2.88)	1.127 (0.44)	5.117*** (2.84)	0.887 (0.33)	5.312*** (2.92)	0.859 (0.33)	5.381*** (2.78)	3.253 (1.02)
University_ST8	0.607 (0.86)	1.260 (1.62)	0.591 (0.83)	1.438* (1.75)	0.705 (0.99)	1.280 (1.61)	1.004 (1.27)	1.649* (1.78)
University_ST30	−0.016 (−0.03)	1.340*** (2.91)	0.092 (0.15)	1.433*** (2.95)	0.054 (0.09)	1.356*** (2.92)	0.343 (0.51)	1.459*** (2.74)
Subject	−0.012 (−0.03)	0.786 (1.52)	−0.037 (−0.08)	0.658 (1.21)	0.068 (0.14)	0.706 (1.31)	0.078 (0.15)	0.944 (1.51)
Degree_Class	0.014 (0.03)	0.593 (1.36)	−0.024 (−0.05)	0.678 (1.52)	−0.013 (−0.02)	0.599 (1.33)	−0.037 (−0.07)	0.423 (0.84)
Degree_Parent	−0.586 (−1.18)	−0.155 (−0.35)	−0.660 (−1.25)	−0.074 (−0.16)	−0.669 (−1.24)	−0.115 (−0.25)	−0.444 (−0.79)	0.539 (0.89)
Region	0.703 (1.41)	2.031*** (2.74)	0.685 (1.33)	1.880** (2.46)	0.729 (1.42)	1.947*** (2.61)	0.725 (1.25)	2.437** (2.44)

(Continued)

Table 5. Continued.

Panel A: Gender								
	Dependent variable: Big Four							
	Main effects only		Interaction effects included					
	Model 1: Male	Model 2: Female	Model 3: Male	Model 4: Female	Model 5: Male	Model 6: Female	Model 7: Male	Model 8: Female
D Index_H * Elite Job			−2.079*	−1.410	−1.853*	−0.714	−2.141*	−2.027**
			(−1.72)	(−1.58)	(−1.67)	(−0.87)	(−1.66)	(−2.09)
D Index_H * Highly Elite Job								−0.675
								(−0.43)
Constant	−30.193***	−9.035	−31.454***	−7.970	−32.401***	−7.597	−33.405***	−22.357
	(−2.88)	(−0.6)	(−2.92)	(−0.51)	(−2.98)	(−0.5)	(−2.87)	(−1.19)
Pseudo R2	0.2796	0.4302	0.3225	0.4531	0.3043	0.4366	0.3391	0.5231
Number of observations	69	83	69	83	69	83	65	83
Panel B: Region								
	Dependent variable: Big Four							
	Main effects only		Interaction effects included					
	Model 1: Scotland	Model 2: England	Model 3: Scotland	Model 4: England	Model 5: Scotland	Model 6: England	Model 7: Scotland	Model 8: England
D Index_H	0.017	0.562	0.675	1.644*	0.299	1.737**	1.059	1.616*
	(0.04)	(1.02)	(0.97)	(1.87)	(0.49)	(2.01)	(1.45)	(1.85)
Elite Job_Parent	0.117	1.203*	0.595	2.981**			0.216	2.865**
	(0.26)	(1.76)	(0.97)	(2.11)			(0.31)	(2.04)
Elite Job_Father					0.468	2.786**		
					(0.75)	(2.04)		
Highly Elite Job_Parent							1.058	1.141
							(1.14)	(1.15)
School_Fee	0.088	0.370	0.220	0.563	0.167	0.553	0.292	0.569
	(0.13)	(0.44)	(0.32)	(0.57)	(0.25)	(0.57)	(0.42)	(0.55)
School_Grammar		−0.264		−0.151		−0.074		−0.052

School_Score	1.422 (0.6)	(-0.39) 13.623*** (3.47)	1.759 (0.73)	(-0.22) 13.413*** (3.24)	1.582 (0.67)	(-0.11) 13.425*** (3.3)	3.032 (1.13)	(-0.07) 13.154*** (3.15)
University_ST8		-0.233 (-0.25)		0.044 (0.04)		0.126 (0.12)		0.272 (0.25)
University_ST30	0.863** (1.99)	0.095 (0.11)	0.870** (2)	0.099 (0.1)	0.844* (1.94)	0.156 (0.15)	1.075** (2.27)	0.225 (0.22)
Subject	0.061 (0.13)	1.004* (1.75)	0.044 (0.09)	1.096* (1.76)	0.061 (0.13)	1.163* (1.85)	0.306 (0.56)	1.148* (1.79)
Degree Class	0.628 (1.55)	-0.928 (-1.45)	0.627 (1.55)	-0.625 (-0.94)	0.658 (1.58)	-0.640 (-0.99)	0.602 (1.38)	-0.687 (-1)
Degree_Parent	-0.210 (-0.53)	-0.887 (-1.36)	-0.123 (-0.31)	-1.143 (-1.45)	-0.181 (-0.44)	-0.966 (-1.35)	0.432 (0.89)	-0.996 (-1.26)
Gender	-0.883** (-2.41)	0.976* (1.65)	-0.894** (-2.4)	1.075* (1.71)	-0.877** (-2.35)	1.017* (1.67)	-0.654 (-1.58)	1.104* (1.74)
D Index_H * Elite Job			-0.986 (-1.16)	-2.205* (-1.66)	-0.536 (-0.67)	-2.321* (-1.78)	-1.703* (-1.72)	-2.375* (-1.77)
D Index_H * Highly Elite Job							-0.916 (-0.8)	
Constant	-8.825 (-0.64)	-78.934*** (-3.48)	-11.096 (-0.79)	-78.625*** (-3.29)	-9.927 (-0.72)	-78.740*** (-3.33)	-19.451 (-1.24)	-77.336*** (-3.21)
Pseudo R2	0.2032	0.4573	0.2170	0.5023	0.2086	0.4924	0.3091	0.5055
Number of observations	72	85	72	85	72	85	72	82

Notes: The table reports non-standardised coefficients, z-values in parentheses. All significance levels are two-tailed. See [Table 1](#) for variable definition.

\*Significant at 10% level.

\*\*Significant at 5% level.

\*\*\*Significant at 1% level.

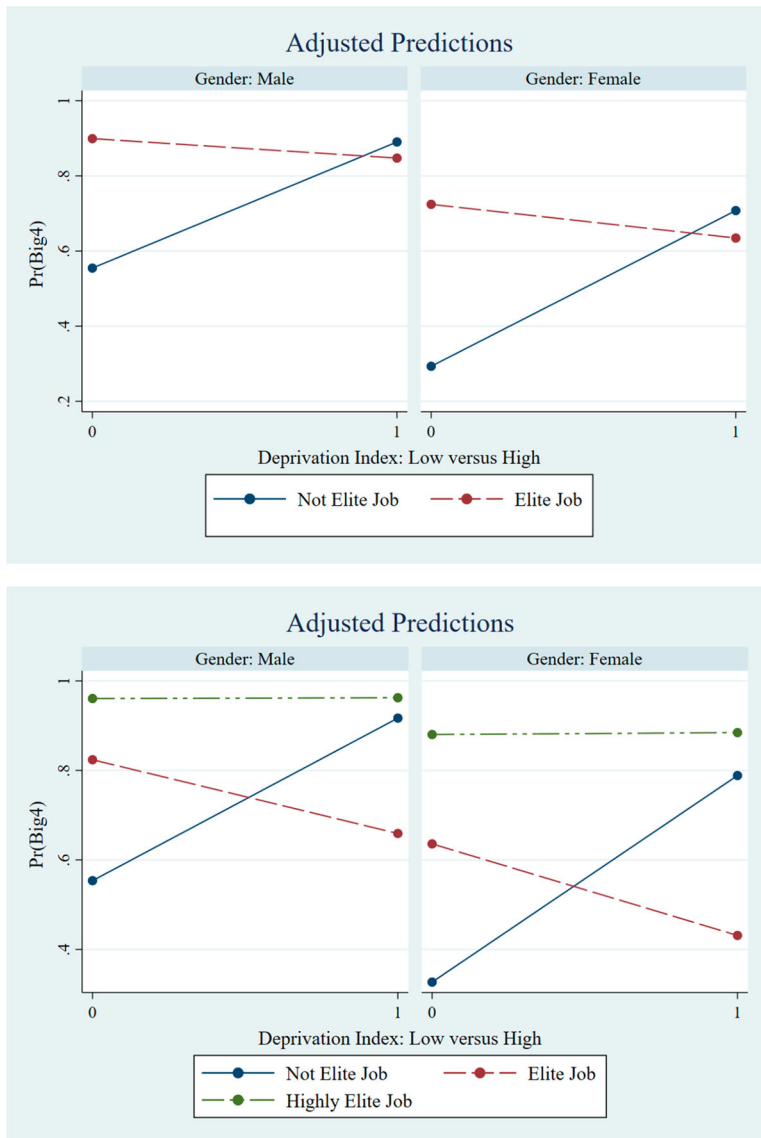


Figure 4. Simple slopes (marginal effects) of the interactions.

female respondents. The simple slopes show similar patterns between different social class groups (as compared to Figure 2), although the chances of a male candidate are generally higher (especially for those in lower social class). In the UK, females get higher school and university qualifications and outnumber males in higher education and there are concerns that efforts to improve access among disadvantaged young people are not as successful among males as females (Hillman and Robinson 2016). This explains why females can access the profession but the fact that they do not necessarily get the highest status jobs reflects a wider concern in the UK that female graduates are less likely to get the top jobs, are often in lower paid roles and are more likely to be underemployed (ONS 2017).

Furthermore, we find that the Big Four accounting firms seem to have different social background profiles in these two regions. The main results of social deprivation and social class seem to apply in England, but not so in Scotland (in terms of statistical relevance). As for the control variables, in Scotland, attending a Sutton Trust 30 university enhances the prospects of qualifying with the Big Four; while in England, obtaining a higher UCAS score, or, to a lesser extent, taking a degree related to accounting enhances such prospects. We note that the explanatory power of our regression models is much higher in those including respondents from England. The simple slopes show similar patterns between different social class groups (as compared to [Figure 3](#)). In particular, in all cases, where those from non-professional and managerial classes are securing Big Four qualification, they are gaining at the expense of those whose parents held lower professional and managerial occupations. Those with parents who had higher professional and managerial professions were not losing their hold to make way for social mobility.

The possibility of different social mobility patterns in Scotland and England remains to be explored in the research literature but one indication of a difference relates to patterns of employment and salaries in London versus other parts of the UK. Laurison and Friedman (2016) found that salaries in London, especially in the financial services sector, showed a more pronounced social class effect than those elsewhere in the UK. Since most of the accountants in England in our cohort trained in the London offices of Big Four firms, our findings are consistent with the class-salary indications of Laurison and Friedman (2016) and this is an area worthy of further research.

## 7. Discussion and conclusions

This paper has been informed by the concepts of economic, social and cultural capital discussed by Bourdieu and Savage. Bourdieu's work has been criticised for offering an oversimplified view of class cultures (Grenfell et al. 1998), for not adequately recognising variation and free choice (Bohman 1999) and for providing a good overview but not identifying its microstructure (Margolis 1999). Nonetheless, there remains broad agreement that the relative concentrations of economic, social and cultural capital provide insights into social class and social inequality (Savage 2015) and that Bourdieu's framework captures the complexity surrounding class rather than focusing on any one dimension alone, such as occupation (Bradley 2014).

Savage et al. (2013) recognised some limitations of their survey, especially its strong selection and geographical bias as respondents were primarily drawn from well-educated social groups and there was over-representation from London and the south-east of England and other university towns. Under-represented groups were those in lower occupations and ethnic minorities. Additional interviews were therefore conducted to address these biases. Several other serious criticisms have been made by other researchers. One was that there is a logical inconsistency in its rejection of occupational stereotypes as a means of allocating people to classes yet asking people how many people they knew from a limited range of other occupations (Dorling 2014). Others are that the approach adopted by the survey was gradational rather than relational (Bradley 2014), that the survey was selective, only including a small number of occupations of acquaintances and cultural activities (Mills 2014) and that the findings also appear to have been heavily influenced by ages (Mills 2014). Nonetheless, the work of Savage is influential because it has brought debates about class in the twenty-first century to the fore and there is general agreement that social class in the present day is complex and not easily categorised (Dorling 2014). Savage (2015) confirms the importance of the three capitals, hence our usage of these to frame the paper.

As discussed earlier, diversity discourse in accounting has been much discussed in relation to gender and now extends to include other dimensions such as ethnicity, disability and sexuality but social mobility in terms of social class movements have received much less attention. This paper



has investigated diversity, social class and homosocial reproduction in the accountancy profession in terms of social mobility by examining the backgrounds of the people who qualified as chartered accountants with ICAS and were admitted into membership in 2009, distinguishing between those who trained with a Big Four firm and those who did not. It has become something of a truism for policy-makers to say that the professions in the UK are socially exclusive and that opportunities for social mobility are limited. This stance is reinforced by accounting literature that has portrayed the accountancy profession as socially exclusive (see e.g. Grey 1998, Jacobs 2003, Anderson and Walker 2009, James and Otsuka 2009).

The findings reported in this paper show that the reality as far as the accountancy profession is concerned appears to be more complex. Whilst the results discussed in this paper show that the ICAS class of 2009 as a whole appears to exhibit limited social mobility, mainly drawing from the professional classes, nonetheless, some people do succeed in surmounting the obstacles to entry. Three quarters of the class of 2009 attended state schools, albeit that their family homes were in affluent areas and therefore their schools would be amongst the best state schools in the country. Just under a quarter attended universities that are not regarded as elite. Twenty-seven per cent come from a home where their parents were not engaged in professional careers, a higher percentage than the 18.4% that Laurison and Friedman (2015) found came from the lowest social classes. Thus, whilst the accountancy profession has limited social mobility, the reality does not appear to be as extreme as is often portrayed. Lee (2004) and Matthews (2017) showed that around a third of the earliest chartered accountants had experienced upward, vertical, inter-generational social mobility. A contribution of this paper is the finding that this situation appears to have largely persisted over time with 2009 cohort not being substantially different from the earliest ones. The portrayal of the accountancy profession in both the political and academic arenas as socially exclusive is therefore simplistic and fails to take account of the fact that there is more social mobility in evidence than is commonly thought.

Our findings also allow us to compare the social profile of the ICAS class of 2009 with newly qualified doctors and members of the Law Society of Scotland from a similar time period. When compared with newly qualified doctors (GMC 2013), although similar numbers of doctors and accountants came from professional families, significantly fewer newly qualified accountants had attended fee-paying or selective grammar schools (28% of accountants compared with 61% of doctors). Fifty-two per cent of accountants, as opposed to 65% of doctors, came from families where one or both parents had a university degree. Newly qualified accountants were found to be more similar to newly qualified Scottish solicitors (The Law Society of Scotland 2013). Our accountants were more likely to have a parent who had a professional or managerial occupation than newly qualified Scottish solicitors but fewer had attended an independent, fee-paying school or had at least one parent who was a graduate.

The overall impression, therefore, is that although the accountancy profession in 2009 was drawing from elite sections of society and had a broadly similar profile to law in Scotland, it was nonetheless not as elite as medicine. This does not imply that the accountancy profession could not do more to increase social mobility but it does provide evidence to challenge the argument about accountancy's exceptionally elite status put forward in the Milburn report (Cabinet Office 2009). An empirical contribution of this paper is, therefore, to profile the social backgrounds of the ICAS class of 2009 to measure the extent of social inequality in that group which in turn shows that the popular perception of accountancy's lack of social mobility is not entirely borne out by the evidence from the ICAS class of 2009. Whilst not denigrating the accountancy profession's efforts to increase social mobility, which appear to be timely and welcome, our findings suggest that the argument that the accountancy profession is socially exclusive is based on a somewhat mythical and not entirely accurate assumption. Whilst the profession could indeed be more open to entrants from across the social spectrum, the fact that it has always

displayed an element of social mobility should be recognised. We, therefore, argue that the diversity agenda in the accountancy profession needs to more explicitly recognise a more nuanced consideration of social class alongside gender, ethnicity, disability, sexuality and other forms of diversity.

This paper aimed to explore the factors that influenced social mobility for our 2009 cohort, drawing on measures of social class based on occupations combined with a measure of deprivation derived from the entrants' childhood home postcodes. These factors were investigated via three hypotheses, comparing newly qualified chartered accountants who trained with Big Four and non-Big Four firms in order to examine whether Big Four firms are less likely than other accountancy firms to bring to qualification people from deprived areas, whether parental occupations have a moderating effect and whether this effect is likely to vary with the degree of deprivation.

The postcode data utilised in the analysis provide insights into the economic capital of the class of 2009 which is regarded as having particular importance among the array of capitals (Bourdieu 1998, Bradley 2014, Savage et al. 2015), especially since economic capital can, to a large though not total extent, purchase social and cultural capital (Duff 2017). Flemmen et al. (2017) find that people who originate from homes with the highest economic capital have a higher likelihood of being in the group with the highest economic capital themselves. Hence, not only does class, broadly defined, reproduce itself but economic capital reproduces itself too. This presents a challenge for social mobility efforts because the middle and upper classes reproduce themselves but so, it would appear, do the top economic capital groups. Our finding, therefore, that there was no significant difference in deprivation indices for those who qualify with Big Four and non-Big Four firms is important because it suggests that, despite the clear importance of economic capital, it alone cannot explain social mobility, or a lack of social mobility, in the accountancy profession. This paper therefore also included parental occupations as defined in the NS-SEC.

The NS-SEC, like postcodes, is not a perfect measure of class. However, parental occupations correlate well with social capital and also depend upon factors such as education and upbringing that reference cultural capital (Savage et al. 2015). As such, including parental occupations provides a more holistic picture than is provided by a focus on economic capital alone. An advantage of combining deprivation indices and occupations is that these two measures complement each other's strengths and weaknesses. Deprivation indices are useful because of the government initiatives to focus efforts on increasing educational attainment and university participation from the lowest quintiles. Because the deprivation indices are produced using official government data and, as they aggregate multiple measures of deprivation, they are a reliable source. Deprivation is also the measure used by the ICAS and ICAEW Foundations to help talented but deprived individuals into the profession. However, deprivation indices do not operate at the individual level but rather combine neighbourhoods. In order to drill down to the level of the individual, occupations based on the NS-SEC are a widely used and validated measure of social class (Goldthorpe 1980, 1987, Erikson and Goldthorpe 1992). By combining deprivation indices and occupation codes, we are able to investigate their effects both separately and together.

The slope analysis presented in Figures 3–5 shows these postcodes and occupations and reveals a clearer picture than has hitherto been available of the precise dynamics of social mobility. In each case, the slopes indicate that those whose parents have higher managerial and professional occupations have the best chances of securing positions that enable them to qualify with Big Four firms. This is consistent with the social mobility theory that shows the ability of the middle classes to maintain their position. Opportunities do exist for those whose parents do not hold managerial or professional jobs but these people have succeeded at the expense of

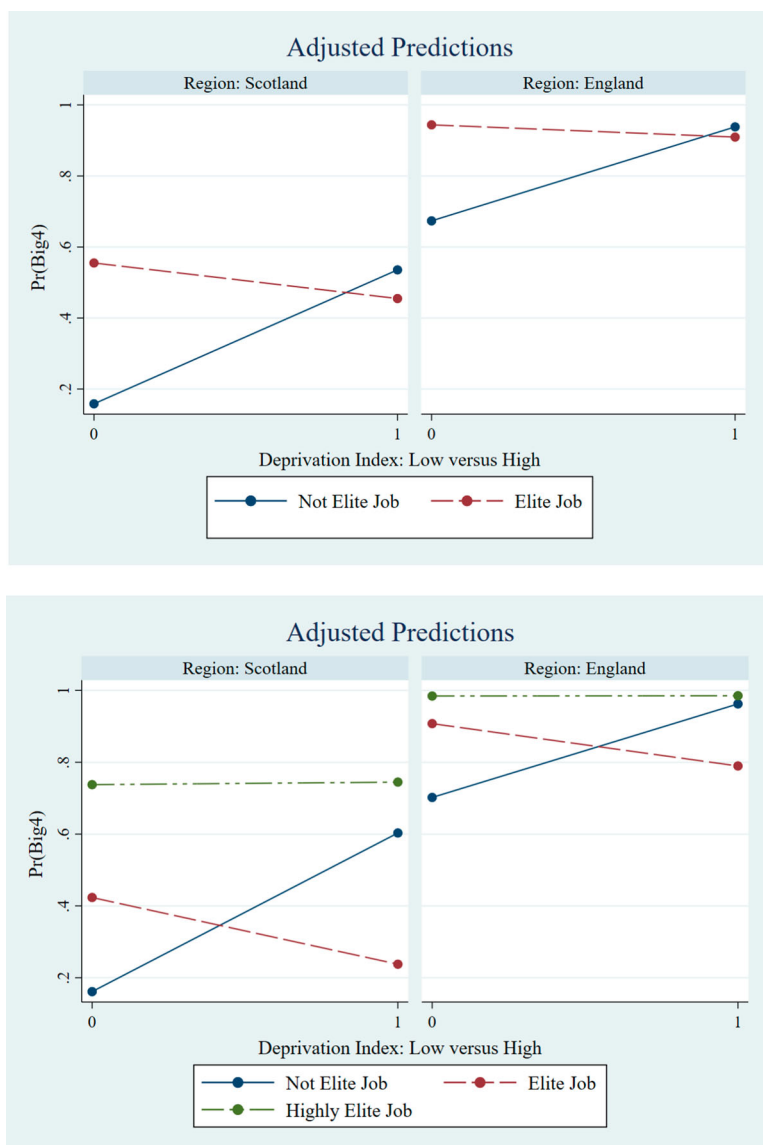


Figure 5. Simple slopes (marginal effects) of the interactions.

those who come from families where parents have lower managerial or professional jobs. In other words, it is the child of a teacher or nurse, rather than the child of a doctor or lawyer or chartered accountant, whose chances of being recruited by a Big Four firm has declined to make way for a person from a non-managerial or professional background. This finding is the major contribution of this paper since it adds to the theoretical understanding of the social making and origin of Big Four accountants. It also has important implications for recruitment into the accountancy profession as it indicates that, in addressing one clear issue of social disadvantage – that of improving chances of social mobility for those from more disadvantaged backgrounds – it risks creating a new level of disadvantage for those who come from more middling professional homes.

### 7.1. Research agenda

Given the paucity of papers in the accounting literature on social mobility, we now set out a research agenda for future work in this area. This paper has focused on the entry point into the accountancy profession, recognising that this is a significant moment in a person's career (Goldthorpe 1980, Erikson and Goldthorpe 1992). We have shown that the majority of those who qualified as members of ICAS in 2009 came from relatively privileged social backgrounds. However, while in the minority, people from less advantaged backgrounds did gain entry. What is not known is how people from less advantaged backgrounds progress in their careers throughout their subsequent working lives. Thus, this paper does not provide insights into the intra-occupational trajectories of the socially mobile as compared with those who came from backgrounds that do not manifest upward social mobility (Laurison and Friedman 2015). Future research could examine the ongoing effects of social class and social mobility on future career advancement.

We recognise that the current study has some limitations. We only look at one year group in one professional body. Therefore future research could examine different cohorts within ICAS and cohorts within different professional bodies, using our results as a point of comparison to enable a view to be taken of whether social mobility in relation to ICAS is increasing or declining and whether our results hold for other professional bodies in different contexts. Such research should not be confined to the UK as the OECD report (OECD 2018) referred to in the Introduction shows that social mobility is limited in most parts of the world. We have included a range of variables that the literature suggests are factors that affect entry to university and the professions and these could form the basis for subsequent studies. In particular, the use of postcode data to investigate economic capital is widely regarded as being robust. Likewise, the links between education and school and university including the type of school and rank of university, as well as the occupational and educational background of parents all provide insights into the social capital of the class of 2009. We acknowledge that we did not capture a full range of indicators of cultural capital, arguably the most difficult capital to capture (Bradley 2014, Dorling 2014, Savage et al. 2015) as we wanted to keep the questionnaire relatively short to encourage completion. However, it is widely agreed that education at school and university do give indications of cultural capital so the data we use does provide some insight. Nonetheless, future research could include additional cultural factors such as the activities engaged in by children.

Further research into social mobility in the accountancy profession is warranted because, as Goldthorpe and Mills (2008) state, 'class, and in turn class mobility, can be shown to be highly consequential for a wide range of individuals' life-chances and life-choices'. Although in the minority, those 2009 ICAS members who came from less privileged backgrounds have most likely increased their life-chances and life-choices and the theories employed in this paper show that these are likely to also increase the life-chances and life-choices of their own children. We only look at entrants to ICAS in one year and so we cannot say whether or not social mobility within ICAS has increased or decreased over recent decades. However, we can say that, while accountancy displays many of the elitist tendencies associated with professions in general, it also shows that there are opportunities for upward social mobility, not just at the partner level (Carter and Spence 2014, Spence and Carter 2014) but also at earlier stages of career. These opportunities benefit the individuals concerned in economic terms but further work could examine the effect of one's originating identity on what one becomes or, as Friedman (2014, p. 363) puts it, whether the 'symbolic baggage of the past' affects how mobility is actually lived.

Consideration of the factors that have facilitated upward social mobility in the cohort examined here provide pointers for a new starting point for research and for recruitment policy both within and outside of the Big Four. From a research perspective, the increasing focus on diversity

is welcome but the use of diversity discourse to justify the commitment of the accountancy profession to society warrants further critique. Balancing the numbers (Gallhofer et al. 2011) in relation to overt applications of diversity such as gender or ethnicity are relatively easily converted into benchmarks and targets but social inclusion is more problematic. As shown here, if the focus is purely on a deprivation measure such as postcode, then individuals who, by common understanding, might not be disadvantaged, might be treated as examples of social diversity simply because of the location of their family home when other indicators might point to them actually being socially advantaged. Therefore, research needs to deconstruct meanings of social mobility and to consider the implications of the various ways in which social mobility is defined by the accountancy profession.

## 7.2. Policy implications

Finally, in terms of policy implications, the fact that the majority of the class of 2009 had studied at a Sutton Trust 30<sup>19</sup> university shows the need to broaden recruitment efforts beyond this elite university group if access is to be widened. The finding that the social backgrounds of the class of 2009 originating in Scotland and England, mainly London, differ, points to the need for debates and research about social mobility to be located at a more local as well as national level. Most importantly, our findings show that where social mobility allows those from the most disadvantaged backgrounds to achieve success in the accountancy profession, it does so by reducing the chances for those from more middling families. Accountancy recruiters need to be mindful of this when amending their policies in order to increase diversity in the accountancy profession. Our findings point to the importance of recruiters focusing on parental occupations in addition to deprivation indices and educational background, and to recognise that the precise patterns of social mobility differ by gender. In essence, future policy initiatives need to move away from a sole focus on who is gaining access to the accountancy profession. Social mobility is not a zero-sum game (Goldthorpe 2013). Therefore, the focus should also include consideration of who is being displaced to enable someone else to gain access in order to ensure that social mobility initiatives do not simply replace one form of disadvantage with another.

## Disclosure statement

No potential conflict of interest was reported by the authors.

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<sup>19</sup>See footnote 17 for definition.

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## Appendix 1. The UK's National Statistics Socio-Economic Classification (NS-SEC) (2010)

Operational categories	Analytic class variables			
	Nine categories	Eight categories	Five categories	Three categories
1.1 Employers in large establishments	1.1 Large employers and higher managerial occupations	1 Higher managerial and professional occupations	1 Managerial and professional occupations	1 Managerial and professional occupations
1.2 Higher managerial occupations				
1.3 Higher professional Occupations	1.2 Higher professional occupations			
1.4 Lower professional and higher technical occupations	2 Lower managerial and professional occupations	2 Lower managerial and professional occupations		
1.5 Lower managerial occupations				
1.6 Higher supervisory occupations				
1.7 Intermediate occupations	3 Intermediate occupations	3 Intermediate Le occupations	2 Intermediate occupations	2 Intermediate occupations
1.8 Employers in small Establishments	4 Small employers and own account workers	4 Small employers and own account workers	3 Small employers and own account workers	
1.9 own account workers				

(Continued)

Continued.

Operational categories	Analytic class variables			
	Nine categories	Eight categories	Five categories	Three categories
1.10 Lower supervisory occupations	5 Lower supervisory and technical occupations	5 Lower supervisory and technical occupations	4 Lower supervisory and technical occupations	3 Routine and manual occupations
1.11 Lower technical occupations				
1.12 Semi-routine occupations	6 Semi-routine occupations	6 Semi-routine occupations	5 Semi-routine and routine occupations	
1.13 Routine Occupations	7 Routine occupations	7 Routine occupations		
1.14 Never worked and Long-term Unemployed	8 Never worked and long-term unemployed	8 Never worked and long-term unemployed	Never worked and long-term unemployed	Never worked and long-term unemployed